

Tab 1	SB 800 by Albritton; Economic Development					
264886	D	S	FT, Albritton	Delete everything after	02/08 10:47 AM	
812008	AA	S	FT, Albritton	btw L.4 - 5:	02/09 04:47 PM	
816154	AA	S	FT, Albritton	Delete L.218:	02/09 04:48 PM	
Tab 2	SJR 1746 by Brodeur; (Similar to CS/H 00001) Homestead Property Tax Exemption					
760666	A	S	FT, Brodeur	Delete L.141 - 155:	02/08 10:47 AM	
Tab 3	SB 1748 by Brodeur; (Similar to CS/H 01563) Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, and Servicemembers					
247456	A	S	FT, Brodeur	btw L.137 - 138:	02/08 10:48 AM	
Tab 4	SB 1382 by Gruters; (Similar to CS/H 01041) Tax Administration					
385668	D	S	FT, Gruters	Delete everything after	02/09 10:08 AM	
Tab 5	SB 1126 by Harrell; (Similar to H 00243) Exemption from Taxation for Educational Properties					
Tab 6	CS/SB 1146 by CM, Rodriguez; (Similar to CS/H 00763) Taxation of Investigative Services					
564150	A	S	FT, Rodriguez	Delete L.45 - 52:	02/08 03:39 PM	
Tab 7	SB 362 by Rodriguez; (Identical to CS/H 00401) Ad Valorem Tax Exemption for Nonprofit Homes for the Aged					
Tab 8	SB 1610 by Rodriguez (CO-INTRODUCERS) Pizzo; (Compare to H 00071) Ad Valorem Tax Abatement					
906400	D	S	FT, Rodriguez	Delete everything after	02/08 02:35 PM	

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Rodriguez, Chair
Senator Cruz, Vice Chair

MEETING DATE: Thursday, February 10, 2022
TIME: 11:00 a.m.—12:30 p.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Building

MEMBERS: Senator Rodriguez, Chair; Senator Cruz, Vice Chair; Senators Berman, Harrell, Hooper, Jones, Rodrigues, and Wright

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 800 Albritton	Economic Development; Authorizing municipalities to exempt by ordinance the public service tax that specified users would pay on electrical energy purchases; providing an exemption from the state tax on sales, use, and other transactions for building materials used in the rehabilitation of real property in an opportunity zone; revising the qualification criteria and tax credit amounts for new and existing businesses under the Rural Job Tax Credit Program; establishing a rural opportunity tax refund program for qualified target industry businesses in rural areas, etc. CM 11/30/2021 Favorable FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0
2	SJR 1746 Brodeur (Similar CS/HJR 1, Compare CS/H 1563, Linked S 1748)	Homestead Property Tax Exemption; Proposing amendments to the State Constitution to authorize the legislature, by general law, to grant an additional homestead property tax exemption on \$50,000 of the assessed value of homestead property owned by classroom teachers, law enforcement officers, correctional officers, firefighters, child welfare services professionals, active duty members of the United States Armed Forces, and members of the Florida National Guard, etc. CA 01/25/2022 Favorable FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Finance and Tax

Thursday, February 10, 2022, 11:00 a.m.—12:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	SB 1748 Brodeur (Similar CS/H 1563, Compare CS/HJR 1, Linked SJR 1746)	Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, and Servicemembers; Specifying the information that must be supplied annually to the property appraiser by classroom teachers, law enforcement officers, firefighters, child welfare professionals, and servicemembers who qualify for a specified exemption; providing conditions under which a classroom teacher, a law enforcement officer, a firefighter, a child welfare professional, or a servicemember may receive an additional homestead property tax exemption; specifying actions a property appraiser may take if a taxpayer improperly claims an exemption, etc. CA 01/25/2022 Favorable FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0
4	SB 1382 Gruters (Similar CS/H 1041)	Tax Administration; Prohibiting taxpayers from submitting certain records in tax proceedings under certain circumstances; authorizing the Department of Revenue to respond to contact initiated by taxpayers to discuss audits; clarifying conditions for application of an exemption for sales taxes for certain nonresident purchasers of boats or aircraft; deleting a tax exemption for building materials used in the rehabilitation of real property located in an enterprise zone; revising the period in which, and conditions under which, the executive director of the department may adopt emergency rules; excluding certain benefit charges from the employer reemployment assistance contribution rate calculation, etc. CA 02/02/2022 Favorable FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0
5	SB 1126 Harrell (Similar H 243)	Exemption from Taxation for Educational Properties; Exempting from taxation property used by an educational institution that holds a leasehold interest in certain leases exceeding a specified number of years, etc. ED 02/01/2022 Favorable FT 02/10/2022 Favorable AP	Favorable Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Finance and Tax

Thursday, February 10, 2022, 11:00 a.m.—12:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
6	CS/SB 1146 Commerce and Tourism / Rodriguez (Similar CS/H 763)	Taxation of Investigative Services; Defining the term "small private investigative agency"; providing an exemption from the state tax on sales, use, and other transactions for investigative services provided by a small private investigative agency, etc. CM 01/31/2022 Fav/CS FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0
7	SB 362 Rodriguez (Identical CS/H 401)	Ad Valorem Tax Exemption for Nonprofit Homes for the Aged; Revising ownership entities for nonprofit homes qualifying for an exemption from ad valorem taxation to include certain limited partnerships, etc. CA 02/02/2022 Favorable FT 02/10/2022 Favorable AP	Favorable Yeas 7 Nays 0
8	SB 1610 Rodriguez (Compare H 71, S 568)	Ad Valorem Tax Abatement; Providing for the abatement of ad valorem taxes for residential improvements destroyed following certain events; providing procedures and requirements for filing applications for the abatement; specifying requirements for property appraisers, tax collectors, and the Department of Revenue; providing for retroactive application, etc. CA 01/25/2022 Favorable FT 02/10/2022 Fav/CS AP	Fav/CS Yeas 7 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 800

INTRODUCER: Finance and Tax Committee and Senator Albritton

SUBJECT: Economic Development

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Renner</u>	<u>McKay</u>	<u>CM</u>	Favorable
2.	<u>Covin</u>	<u>Babin</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 800 creates and modifies economic development programs operating in rural areas and federally designated opportunity zones. The bill creates the Rural Opportunity Tax Refund Program to provide tax refunds to qualified target industry businesses located in rural areas. The bill provides that qualified target industry businesses are eligible to receive a tax refund of specified taxes equal to \$6,000 per created job. Additionally the bill:

- Authorizes municipalities to exempt the public service tax on purchasers of electrical energy, natural gas, or propane who the Department of Revenue determines are eligible as a qualified business in a federally designated opportunity zone;
- Creates a 50 percent sales tax exemption on the purchase of electrical energy, natural gas, or propane to qualified businesses located in an opportunity zone in a municipality that has enacted an ordinance for a municipal utility tax exemption;
- Exempts building materials used in the rehabilitation of real property located in an opportunity zone from the state sales tax if certain conditions are met;
- Reduces the required non-state match amount for the Regional Rural Development Grants Program from 25 percent to 15 percent and allows in-kind contributions to count toward this threshold;
- Removes the requirement that repaid funds from the Rural Community Development Revolving Loan Fund be matched in order to be retained to fund future loans; and
- Revises the authorized amounts and uses of grants provided from the Rural Infrastructure Fund.

The Revenue Estimating Conference has not determined the fiscal impact of the bill. Staff estimates a significant reduction to General Revenue fund receipts, trust fund revenue, and local government revenue in Fiscal Year 2022-2023 and in future years.

The bill is effective July 1, 2022.

II. Present Situation:

Florida Sales Tax

Florida levies a six percent sales and use tax on the retail sales or rentals of most tangible personal property,¹ admissions,² transient rentals,³ and commercial real estate rentals.⁴ In addition to the state level tax, counties are authorized to levy discretionary sales surtaxes.⁵ Generally, the sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.

Chapter 212, F.S., contains provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. There are currently more than 270 exemptions, exclusions, deductions, and credits from sales and use tax,⁶ including building materials used in the rehabilitation of real property located in an enterprise zone.⁷

Municipal Public Service Tax

Municipalities may levy a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service.⁸ The tax is levied only upon purchases within the municipality and cannot exceed 10 percent of the payments received by the seller of the taxable item from the purchaser for the purchase of the service.

Qualified Target Industry Tax Refund Program

The Qualified Target Industry (QTI) Tax Refund Program was created to encourage the creation and retention of high-quality, high-wage jobs by providing state tax refunds to eligible businesses creating jobs in certain target industries.⁹ Tax refunds awarded through the program are determined by the number of jobs created, the average wages paid, and the location of the eligible business. The program expired on June 30, 2020; however, existing QTI agreements will

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ Section 212.031(1)(c), F.S.

⁵ Section 212.055, F.S.

⁶ Office of Economic and Demographic Research, *Florida Tax Handbook*, 168-173 (2021), available at <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2021.pdf> (last visited Jan. 27, 2022). See s. 212.08, F.S.

⁷ Section 212.08(5)(g), F.S.

⁸ Section 166.231(1)(a), F.S.

⁹ Section 288.106(1), F.S.

continue to be in effect according to their terms.¹⁰ For Fiscal Year 2021-2022, \$20.5 million was appropriated, in part, to the QTI program.¹¹

Florida Enterprise Zone Program

The Florida Enterprise Zone Program offered a variety of sales tax credits, refunds, exemptions, and corporate income tax credits to businesses within certain geographic regions to encourage economic growth and investment in distressed areas.

State incentives included a sales tax refund for building materials used in the rehabilitation of real property in an enterprise zone. The amount of the refund was the lesser of 97 percent of the sales taxes paid or \$5,000, or, if 20 percent or more of the business's employees reside in an enterprise zone, the lesser of 97 percent of the sales taxes paid or \$10,000.¹²

Local incentives included a municipal public service tax exemption for qualified businesses located in an enterprise zone on the purchase of electrical energy. The exemption was only available if the municipality in which the business was located had passed an ordinance to exempt the municipal utility taxes on such business.¹³

The program was administered by the DEO and sunset on December 31, 2015.

Opportunity Zone Program

The Opportunity Zone Program was created by the Federal Tax Cuts and Jobs Act of 2017¹⁴ to encourage economic development and job creation in economically distressed communities by providing tax incentives for investors who invest new capital in businesses operating in one or more qualified opportunity zones (zones).¹⁵ Areas qualify as zones if they have been nominated by a state, a U.S. territory, or the District of Columbia, and the nomination has been certified by the United States Department of the Treasury (U.S. Treasury).¹⁶ Governors can nominate up to 25 percent of their state's eligible tracts to receive the designation.¹⁷

Investments are made in the zones through U.S. Treasury Qualified Opportunity Zone Funds and must invest over 90 percent of their assets in qualified zone properties and businesses. Zone funds attract investors through potential tax benefits. These tax benefits can accrue once unrealized capital gains from other investments are rolled in Qualified Opportunity Zone Funds. Benefits include the following:¹⁸

¹⁰ Section 288.106(9), F.S.

¹¹ Chapter 2021-36, Specific Appropriation 2244, s. 6, Laws of Fla.

¹² Section 212.08(5)(g), F.S.

¹³ Sections 212.08(15) and 166.231(8), F.S.

¹⁴ Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97, § 13823, 131 stat. 2054.

¹⁵ Internal Revenue Service, *Opportunity Zones Frequently Asked Question*, available at <https://www.irs.gov/credits-deductions/opportunity-zones-frequently-asked-questions#general> (last visited Jan. 27, 2022).

¹⁶ *Id.*

¹⁷ Florida Department of Economic Opportunity, *The Opportunity Zone Program*, available at <https://floridajobs.org/business-growth-and-partnerships/for-businesses-and-entrepreneurs/business-resource/opportunity-zones> (last visited Jan. 27, 2022).

¹⁸ *Id.*

- Taxes are deferred on capital gains rolled into Qualified Opportunity Zone Funds and the original tax bill through December 31, 2026, or the sale of the zone investment, whichever is earlier;
- Taxes are reduced on capital gains held in Qualified Opportunity Zone Funds for certain lengths of time, for investments held for 5 years, the cost basis for tax purposes is increased by 10 percent and for investments held for 7 years, the cost basis increases an additional 5 percent; and
- The rolled over capital gain appreciates tax-free if the investment in the Qualified Opportunity Zone is held for 10 years or longer.

Currently, Florida has 427 designated zones that are located in every county.¹⁹

Rural Community Development Revolving Loan Fund

The Rural Community Development Revolving Loan Fund Program is a state loan program used to finance initiatives directed toward maintaining and developing the economic base of rural communities, especially initiatives addressing employment opportunities.²⁰ The program provides long-term loans, loan guarantees, and loan loss reserves to local governments, or economic development organizations substantially underwritten by local governments, in counties with small populations or those located within a RAO.²¹ Loan repayments are generally returned to the loan fund to be made available to other applicants, but repayments made by an applicant in a RAO may be retained by the applicant if the repayments are dedicated and matched to fund regionally based economic development organizations representing the RAO and retention of funds is approved by the DEO.²²

Regional Rural Development Grants Program

The Regional Rural Development Grants Program is a state matching grant program established to provide funding to build the professional capacity of regional economic development organizations.²³ Grants may be used by an economic development organization to provide technical assistance to businesses within the rural counties and communities that it serves.²⁴

Applications submitted to the DEO must provide proof:

- Of official commitments of support from each local government represented by the regional organization;
- That each local government has made a financial or in-kind commitment to the regional organization;
- That the private sector has made financial or in-kind commitments to the regional organization;
- That the regional organization is in existence and actively involved in economic development activities serving the region; and

¹⁹ *Id.*

²⁰ Section 288.065(1), F.S.

²¹ Section 288.065(2)(a), F.S.

²² Section 288.065(2)(c), F.S.

²³ Section 288.018, F.S.

²⁴ Section 288.018(1)(b), F.S.

- The manner in which the regional organization coordinates its efforts with those of other local and state organizations.²⁵

An organization may receive up to \$50,000 a year or \$250,000 if located in a RAO.²⁶ Grants must be matched by an amount of non-state resources equal to 25 percent of the state contribution. The DEO is authorized to spend up to \$750,000 each fiscal year from funds appropriated to the Rural Community Development Revolving Loan Fund to carry out this program.²⁷

Rural Infrastructure Fund

The Rural Infrastructure Fund is a grant program created to facilitate the planning, preparing, and financing of infrastructure projects in rural communities.²⁸ The program provides access to federal and state infrastructure funding programs, including, but not limited to, those offered by the United States Departments of Agriculture and Commerce.²⁹ The program funds total infrastructure project grants, infrastructure feasibility grants, and preclearance review grants.

The DEO may award grants for up to 50 percent of the total infrastructure project cost.³⁰ Projects must be related to specific job-creation or job-retention opportunities. Additionally, projects may include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth or reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities, and improving the access availability of broadband Internet service.

Eligible uses of funds include improvements to public infrastructure for industrial or commercial sites, upgrades to or development of public tourism infrastructure, and improvements to broadband Internet service and access in unserved or underserved rural communities.³¹ Infrastructure can include public or public-private partnership facilities, like storm water systems, telecommunication, broadband, roads, and nature-based tourism.³²

The infrastructure feasibility grant provides awards of up to 30 percent of the total project costs for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities.³³ Maximum awards are dependent on the number of jobs that a business commits to create and may be up to \$300,000 if the project is located in a RAO. The total project participation grant may be used in conjunction with the infrastructure feasibility grant.

²⁵ Section 288.018(2), F.S.

²⁶ Section 288.018(1)(c), F.S.

²⁷ Section 288.018(4), F.S.

²⁸ See s. 288.0655, F.S.

²⁹ Section 288.0655(2)(b), F.S.

³⁰ *Id.*

³¹ *Id.*

³² Broadband Internet service must be provided in partnership with one or more dealers of communications services. Section 288.0655(2)(b), F.S.

³³ Section 288.0655(2)(c), F.S.

The preclearance review grant provides awards to help a local government participate in expedited permitting processes through technical assistance in preparing permit applications and local comprehensive plan amendments.³⁴ Grants may be used for surveys, feasibility studies, and other activities related to the identification and preclearance review of land use modifications. Grants are limited to \$75,000 and must be matched 50 percent with local funds. However, projects in a RAO may receive up to \$300,000 and must be matched 33 percent with local funds.³⁵

Grant applications are reviewed and certified by the DEO in consultation with Enterprise Florida, Inc., VISIT Florida, the Department of Environmental Protection, and the Florida Fish and Wildlife Conservation Commission.³⁶ Reviews include an evaluation of the economic benefit of the projects and their long-term viability.

III. Effect of Proposed Changes:

Municipal Public Service Tax (Section 1)

The bill amends s. 166.231, F.S., authorizing municipalities to exempt the public service tax on purchasers of electrical energy, natural gas, or propane who the DOR determines are eligible, beginning July 1, 2023, as a qualified business in an opportunity zone. This exemption is only available if the municipality in which the business is located has passed an ordinance to exempt the municipal public service taxes on such business. The municipality must provide a copy of the ordinance to the DOR not less than 14 days before its effective date.

This provision mirrors a provision in the Enterprise Zone Program, an expired program under ch. 290, F.S.

Definitions (Section 2)

The bill amends s. 212.02, F.S., to define the term “opportunity zone” as a population census tract designated by the U.S. Treasury as a qualified opportunity zone pursuant to s. 1400Z-1(b)(1)(B) of the Internal Revenue Code and located in a rural community.³⁷

³⁴ Section 288.0655(2)(e), F.S. Expedited permitting is pursuant to s. 403.9739(18), F.S.

³⁵ Section 288.0655(2)(e), F.S.

³⁶ Section 288.0655(3), F.S.

³⁷ “Rural community” means (1) A county with a population of 75,000 or fewer; (2) A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer; (3) A municipality within a county described in subparagraph 1. or subparagraph 2; or (4) An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in paragraph (c) and verified by the department. *See* Section 288.0656(2)(e), F.S.

Sales Tax Exemptions (Section 3)

The bill amends s. 212.08, F.S., to exempt building materials used in the rehabilitation of real property³⁸ located in an opportunity zone from the state sales tax. To receive a refund, the owner, lessee, or lessor of the rehabilitated real property must file an application, including a sworn statement from the general contractor whom the applicant contracted to make the improvements on the property, with the governing body having jurisdiction over the opportunity zone where the property is located.

The applicant must also forward the application to the DOR within six months after the rehabilitation of the real property is deemed to be substantially completed by the local building code inspector, or by November 1 after the property is first subject to assessment.

Only one exemption through a refund of previously paid taxes for the rehabilitation of real property is allowed for any single parcel unless there is a change in ownership, a new lessor, or a new lessee of the real property. A refund may not be granted unless the amount exceeds \$500 and does not exceed the lesser of 97 percent of the state sales or use tax paid on the cost of the building materials used or \$7,500. A refund must be issued within 30 days after formal approval.

The DOR must adopt rules governing the manner and form of refund application and is authorized to establish guidelines in determining an affirmative showing of qualification for an exemption.

This provision mirrors a provision in the Enterprise Zone Program, an expired program under ch. 290, F.S.

The bill creates, beginning July 1, 2023, a 50 percent sales tax exemption on the purchase of electrical energy, natural gas, and propane to qualified businesses located in an opportunity zone in a municipality that has enacted an ordinance for a municipal utility tax exemption. The exemption is limited to five years.

An application containing certain requirements must be submitted to the DOR within six months after qualifying for the exemption. For purposes of the exemption, a “qualified business” means a business that is:

- First occupying a new structure where electrical, natural gas, or propane service, other than for construction purposes, has not been previously provided or furnished;
- Newly occupying an existing, remodeled, renovated, or rehabilitated structure where electrical, natural gas, or propane service, other than being used for remodeling, renovation, or rehabilitation of the structure, has not been provided or furnished in the three preceding billing periods; or
- Occupying a new, remodeled, rebuilt, renovated, or rehabilitated structure for which a refund has been granted for building materials used in the rehabilitation of property located in an opportunity zone.

³⁸ Real property means land, buildings, fixtures, and all other improvements to land. The term does not include a condominium parcel or condominium property.

If the DOR determines that the business did not meet the above criteria, the 50 percent tax sales tax exemption must be paid back to the DOR, together with the appropriate interest and penalty computed from the due date of each bill for the electrical, natural gas, or propane energy purchased as exempt.

The DOR must adopt rules governing applications and the required forms for, and issuance of, the authorized exemption, and the DOR is authorized to establish guidelines for qualifications for the exemption.

Regional Rural Development Grants Program (Section 4)

The bill amends s. 288.018, F.S., to reduce the required grant match percentage rate from 25 percent to 15 percent and to authorize in-kind contributions under the program.

Rural Community Development Revolving Loan Fund (Section 5)

The bill amends s. 288.065, F.S., to remove the requirement that repaid funds from the loan fund be matched in order to be retained to fund future loans.

Rural Infrastructure Fund (Section 6)

The bill amends s. 288.0655, F.S., to revise the purpose of the Rural Infrastructure Fund. The bill authorizes the DEO to award grants for up to 75 percent, rather than 50 percent, of the total infrastructure cost, or up to 100 percent of the total infrastructure project cost for a project that is located in a rural community³⁹ or a rural area of opportunity⁴⁰ and that is also located in a fiscally constrained county.⁴¹ The bill also authorizes the DEO to award grants of up to \$300,000 for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities. The bill specifies that certain grants relating to the identification and preclearance review of land do not require local matches.

Rural Opportunity Tax Refund Program (Section 7)

The bill largely replicates, with minor changes, the QTI Tax Refund Program, and limits the program benefits to rural areas. The bill creates s. 288.066, F.S., to create the Rural Opportunity Tax Refund Program to provide state tax refunds to eligible businesses in certain target industries located in rural areas.

Definitions

The bill defines a “rural city” as having a population of 10,000 or less, or a city having less than 20,000 if a significant percentage of the residents are on public assistance or have incomes below

³⁹ *Supra* Note 61.

⁴⁰ “Rural area of opportunity” means a rural community, or a region composed of rural communities, designated by the Governor, which has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact. *See* Section 288.0656(2)(d), F.S.

⁴¹ A fiscally constrained country is any county that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1. *See* Section 218.67(1), F.S.

the poverty level, or a significant percentage of the city's employment base is in agriculture-related jobs. "Rural communities" means a county with a population of 75,000 or less, a county with a population of 125,000 or less and is contiguous to a county having a population of 75,000 or less; or the municipality has a significant percentage of residents on public assistance, have incomes below poverty level, or a significant percentage of the employment base is in agriculture-related jobs.

The bill defines a "target industry business" as a corporate headquarters business or any business engaged in certain target industries. The term does not include a business engaged in retail industry activities; an electric utility company; phosphate or other solid minerals severance, mining, or procession operation; oil or gas exploration or production operation; or a business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation. A business in office administrative services (NAICS code 5611) or business support services (NAICS code 5614) may be considered a target industry business if Enterprise Florida, Inc., and the local governing body determines that the community meets certain criteria that affect the fiscal and economic viability of the local community.

The bill defines "local financial support" as funding from public or private local sources which is paid to the Economic Development Trust Fund and which is equal to 20 percent of the annual tax refund for a qualified target industry business. A qualified target industry business may not provide, either directly or indirectly, more than 5 percent of the funding in any fiscal year. Sources of the funding may not include, either directly or indirectly, state funds appropriated from the General Revenue Fund or any state trust fund, excluding tax revenues shared with local governments. Local sources may be exempt from the local financial support requirement available to an applicant whose project is located in a brownfield, a rural city, or a rural community. An applicant exercising this exemption is not eligible for more than 80 percent of the total tax refunds allowed under the program.

The bill also provides definitions for the following terms:⁴²

- "Account;"
- "Authorized local economic development agency;"
- "Average private sector wage in the area;"
- "Business;"
- "Corporate headquarters business;"
- "Expansion of an existing business;"
- "Fiscal year;"
- "Jobs;"
- "New business;"
- "Project;"
- "Qualified target industry business;" and
- "Taxable year."

⁴² See Section 6 of the bill.

Criteria

The DEO and Enterprise, Florida, Inc., must consider the following criteria in identifying target industries:

- Future growth;
- Stability;
- High Wages;
- Market and Resource Independent;
- Industrial base diversification and strengthening; and
- Positive economic impact.

The bill provides that targeted industries will be determined by January 1 of every third year, beginning January 1, 2023, by the DEO, in consultation with Enterprise, Florida, Inc., economic development organizations, the State University System, local governments, employee and employer organizations, market analysts, and economists. The list must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Tax Refunds

Qualified target industry businesses are eligible to receive a tax refund equal to \$6,000 per created job. Tax refunds may be claimed for one or more of the following taxes paid:

- Sales and use tax;
- Corporate income taxes;
- Insurance premium taxes;
- Intangible personal property taxes;
- Ad valorem taxes;
- Certain state communication services taxes; and
- Excise taxes on documents.

A qualified target industry business may not receive a refund for any amount of credit, refund, or exemption previously granted to that business for any of the aforementioned taxes. If the DEO provides for a refund and the taxes are adjusted by the application of any credit, refund, or exemption granted to the qualified target industry business, the business must reimburse the account for the amount of that credit, refund, or exemption and notify and tender the payment to the DEO within 20 days after receiving the credit, refund, or exemption. Refunds may not be spent on the relocation of a business from one community to another unless the DEO determines that, without the relocation, the business will move out of Florida, or determines the business has a compelling economic rationale for relocation and thus, result in the creation of additional jobs. A qualified target industry business that fraudulently claims a refund:

- Is liable for repayment of the amount of the refund to the account, plus a mandatory 200 percent of the tax refund, which will be deposited into the General Revenue; and
- Commits a third degree felony.⁴³

⁴³ A third degree felony is generally punishable by up to five years in state prison and a fine not exceeding \$5,000. Sections 775.082, 775.083, and 775.084, F.S.

Application and Approval Process

A business must file an application to become a qualified target industry business with the DEO before the business moves to the state or before the business expands its existing operations in the state. The application must include:

- Certain identifying information;
- The proposed permanent location of the applicant's facility;
- A description of the type of business activity covered by the project;
- The proposed number of net new full-time Florida jobs, including average wages;
- The total number of full-time equivalent employees employed by the applicant in the state;
- The anticipated commencement date of the project;
- A description of the role the estimated tax refunds to be requested would play in the decision of the applicant locating to the state or expanding in the state;
- An estimate of the proportion of sales resulting from the project that will be made outside the state;
- An estimate of the proportion of the cost of the equipment to be used by the business in the state operations that will be purchased outside the state;
- A resolution adopted by the governing board of the local government in which the project will be located recommending the applicant be approved; and
- Any additional information requested by the DEO.

Additionally, the DEO must review and evaluate each target industry business application based on, but not limited to, the following criteria:

- Expected contributions to the state's economy, consistent with the state strategic economic development plan prepared by the DEO;
- The economic benefits of the proposed award of tax refunds;
- The amount of capital investment to be made in the state by the applicant;
- The local financial commitment and support for the project;
- The expected effect of the project on the unemployed and underemployed in the county where the project will be located;
- The expected effect of the award on the viability of the project and the probability that the project would be undertaken in this state if the tax refunds are granted to the applicant;
- Whether the business activity or project is in an industry identified by the DEO as a target industry business that contributes to the economic growth of the state and the area where the business is located, produces a higher standard of living for residents, or can be shown to make an equivalent contribution to the area's and state's economic progress; and
- A review of the business's past activities in this state or other states, including whether the business has been subjected to criminal or civil fines and penalties.

When reviewing the application, the DEO must include projections of the tax refunds the business would be eligible to receive in each fiscal year based on the creation and maintenance of net new Florida jobs.

The DEO may not provide a certification if the value of the tax refunds exceeds the available amount of authority to certify new businesses pursuant to the Economic Development Trust Fund. If local financial support is less than 20 percent of the approved tax refund, then the refund

must be reduced. Projects located in a brownfield area, rural city, or rural community may exercise an option of local financial support exemption; however, the applicant will then receive no more than 80 percent of the total tax refund allowed.

The letter of certification from the DEO approving an application must specify the maximum amount of tax refund that will be available to the qualified target industry business in each fiscal year, as well as the total amount of tax refunds available to the business for all fiscal years.

The bill authorizes the DEO to issue nonbinding opinion letters to prospective applicants on the applicant's eligibility and the potential refund amounts the applicant may receive.

Annual Claim for Refund

To claim a scheduled tax refund, a qualified target industry business must apply to the DEO by January 31 of each year. The DEO may grant a 30-day extension to the filing date if the request is made in writing. The business's claim for the refund must include a copy of all receipts pertaining to the payment of taxes for the refund being sought.

The DEO is authorized to waive the requirement for proof of taxes paid in future years for a qualified target industry business that provides the DEO with proof that, in a single year, the business has paid an amount of certain state taxes which is at least equal to the total amount of tax refunds that the business may receive through completion of its project.

A tax refund will be denied unless the required local financial support has been paid into the account for that refund. Additionally, if the local financial support provided is less than 20 percent of the approved tax refund, then the tax refund must be reduced. The tax refund may not exceed an amount equal to five times the amount of the local financial support received. The qualified target industry business must provide a report listing all sources of the local financial support to the DEO when the support is paid to the account.

The DEO, with assistance from the DOR if necessary, must provide written approval or disapproval of the tax refund claim by June 30 following the scheduled date for submission of the tax refund claim. If approved, the DEO must also provide the amount of the tax refund authorized to be paid to the qualified target industry business. An extension may be granted by the DEO upon the request of the business in order to provide additional information in support of the claim. The total amount of tax refund claims approved by the DEO in any fiscal year may not exceed the amount authorized pursuant to the Economic Development Trust Fund.

After approval of the tax refund, the Chief Financial Officer must issue a warrant for the amount specified in the written order. If the order is appealed, Chief Financial Officer may not issue a refund until the conclusion of all appeals of that order.

Administration by the DEO

For any claim submitted for tax credits, the DEO is authorized to verify information with regard to employment and wage levels or the payment of the taxes to the appropriate agency or authority, including the DOR or any local government or authority.

The DEO may provide a list of qualified target industry businesses to the DOR or to any local government or authority to help monitor and audit applications. The DEO may also request the assistance of those entities to monitor jobs, wages, and the payment of taxes.

Any funds specifically appropriated for tax refunds for qualified target industry businesses may not be used by the DEO for any purpose other than the payment of tax refunds.

Economic Development Trust Fund (Section 8)

The bill amends s. 288.095, F.S., to make conforming changes.

Effective Date (Section 9)

The bill takes effect July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that, except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{44, 45} which is \$2.3 million or less for Fiscal Year 2022-2023.⁴⁶

The Revenue Estimating Conference determined that the prior version of the bill will reduce the authority that counties have to raise revenue from the local option sales tax by \$700,000 in Fiscal Year 2022-2023.⁴⁷ Staff estimates that the current version of the bill will have a similar impact. Therefore, it appears that the mandates provisions do not apply because the impact is insignificant.

B. Public Records/Open Meetings Issues:

None.

⁴⁴ FLA. CONST. art. VII, s. 18(d).

⁴⁵ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 27, 2022).

⁴⁶ Based on the Demographic Estimating Conference's estimated population adopted on March 3, 2021. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Jan. 27, 2022).

⁴⁷ The Revenue Estimating Conference, 2022 Regular Session Revenue Estimating Conference: Impact Conference Results, p. 98-99 (Dec. 10, 2021), available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/Impact1210.pdf (last visited Jan. 27, 2022).

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Laws that create or raise state taxes or fees must be passed by two-thirds vote of the membership of each house of the Legislature in a separate bill that contains no other subject.⁴⁸ The bill does not increase any taxes or fees; therefore, the increased tax or fee requirements do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not determined the fiscal impact of the bill. Staff estimates a significant reduction to General Revenue fund receipts, trust fund revenue, and local government revenue in Fiscal Year 2022-2023 and in future years.

B. Private Sector Impact:

Electrical energy, natural gas, or propane purchasers; owners, lessees, or lessors of real property who use building materials to rehabilitate property in an opportunity zone; and qualified target industry businesses in opportunity zones may realize savings through various tax refunds or exemptions.

C. Government Sector Impact:

The bill will increase the DEO's costs due to administration of the requirements, procedures and limitations for annual refund claims. The DEO would also be required to review applications, issue opinion letters and administer the rural opportunity tax refund program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁴⁸ See FLA. CONST., art. VII, s. 19.

VIII. Statutes Affected:

The bill substantially amends the following sections of the Florida Statutes: 166.231, 212.02, 212.08, 288.018, 288.065, 288.0655, and 288.095.

The bill creates section 288.066 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax on February 10, 2022:

The CS:

- Removes a revision to the qualification criteria and tax credit amounts for new and existing businesses under the Rural Job Tax Credit Program;
- Removes a requirement for the DEO to allocate a specified amount of funds to the Florida Job Growth Grant Fund and removes a definition for “rural area of opportunity”;
- Revises the definition for “opportunity zone” to restrict the provisions of the bill to opportunity zones located in rural communities;
- Expands the bill’s sales tax exemption for energy to include natural gas and propane;
- Revises the matching requirement from 25 percent to 15 percent of the state contribution for grant funds received by a regional economic development organization under Regional Rural Development Grants Program;
- Removes the requirement for certain repayments to be matched in rural areas of opportunity under Rural Community Development Revolving Loan Fund;
- Revises the purpose of the Rural Infrastructure Fund; revises the authorized amounts and uses of the grants; provides that certain grants do not require local matches; and revises the requirements for review of certain applications;
- Revises the definition of the term “taxable year” under the rural opportunity tax refund program; and
- Makes other technical and conforming changes

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Albritton) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (35) is added to section 212.02,
Florida Statutes, to read:

212.02 Definitions.—The following terms and phrases when
used in this chapter have the meanings ascribed to them in this
section, except where the context clearly indicates a different
meaning:



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11 (35) "Opportunity zone" means a population census tract
12 designated by the United States Department of the Treasury as a
13 qualified opportunity zone pursuant to s. 1400Z-1(b)(1)(B) of
14 the Internal Revenue Code and located in a rural community as
15 defined in s. 288.0656.

16 Section 2. Paragraph (v) is added to subsection (5) of
17 section 212.08, Florida Statutes, and subsection (19) is added
18 to that section, to read:

19 212.08 Sales, rental, use, consumption, distribution, and
20 storage tax; specified exemptions.—The sale at retail, the
21 rental, the use, the consumption, the distribution, and the
22 storage to be used or consumed in this state of the following
23 are hereby specifically exempt from the tax imposed by this
24 chapter.

25 (5) EXEMPTIONS; ACCOUNT OF USE.—

26 (v) Building materials used in the rehabilitation of real
27 property located in an opportunity zone.—

28 1. For the purposes of the exemption provided in this
29 paragraph, the term:

30 a. "Building materials" means tangible personal property
31 that becomes a component part of improvements to real property.

32 b. "Real property" has the same meaning as provided in s.
33 192.001(12), except that the term does not include a condominium
34 parcel or condominium property as defined in s. 718.103.

35 c. "Rehabilitation of real property" means the
36 reconstruction, renovation, restoration, rehabilitation,
37 construction, or expansion of improvements to real property.

38 d. "Substantially completed" has the same meaning as
39 provided in s. 192.042(1).



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40 2. Building materials used in the rehabilitation of real
41 property are exempt from the tax imposed by this chapter upon an
42 affirmative showing to the satisfaction of the department that
43 the items have been used for the rehabilitation of real property
44 located in an opportunity zone. This exemption inures to the
45 owner, lessee, or lessor at the time the real property is
46 rehabilitated, but only through a refund of previously paid
47 taxes. To receive a refund pursuant to this paragraph, the
48 owner, lessee, or lessor of the rehabilitated real property must
49 file an application under oath with the governing body having
50 jurisdiction over the opportunity zone where the property is
51 located, as applicable. A single application for a refund may be
52 submitted for multiple, contiguous parcels that were part of a
53 single parcel divided as part of the rehabilitation of the real
54 property. All other requirements of this paragraph apply to each
55 parcel on an individual basis. The application must include all
56 of the following:

57 a. The name and address of the person claiming the refund.

58 b. An address and assessment roll parcel number of the
59 rehabilitated real property for which a refund of previously
60 paid taxes is being sought.

61 c. A description of the improvements made to accomplish the
62 rehabilitation of the real property.

63 d. A copy of a valid building permit issued by the county
64 or municipal building department for the rehabilitation of the
65 real property.

66 e. A sworn statement, under penalty of perjury, from the
67 general contractor licensed in this state with whom the
68 applicant contracted to make the improvements necessary to



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69 rehabilitate the real property. The sworn statement must list
70 the building materials used to rehabilitate the real property,
71 the actual cost of the building materials, and the amount of
72 sales tax paid in this state on the building materials. If a
73 general contractor was not used, the applicant, not a general
74 contractor, shall make the sworn statement required by this sub-
75 subparagraph. Copies of the invoices that show the purchase of
76 the building materials used in the rehabilitation and the
77 payment of sales tax on the building materials must be attached
78 to the sworn statement provided by the general contractor or by
79 the applicant. Unless the actual cost of building materials used
80 in the rehabilitation of real property and the payment of sales
81 taxes are documented by a general contractor or by the applicant
82 in this manner, the cost of the building materials is deemed to
83 be an amount equal to 40 percent of the increase in assessed
84 value for ad valorem tax purposes.

85 f. The census tract number of the opportunity zone in which
86 the rehabilitated real property is located.

87 g. A certification by the local building code inspector
88 that the improvements necessary to rehabilitate the real
89 property are substantially completed.

90 3. Within 10 working days after receipt of an application,
91 the governing body shall review the application to determine if
92 it contains all the information required by subparagraph 1. and
93 meets the criteria set forth in this paragraph. The governing
94 body shall certify all applications that contain the required
95 information and are eligible to receive a refund. The
96 certification must be in writing, and a copy of the
97 certification shall be transmitted to the executive director of



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98 the department. The applicant is responsible for forwarding a
99 certified application to the department within the time
100 specified in subparagraph 4.

101 4. An application for a refund must be submitted to the
102 department within 6 months after the rehabilitation of the real
103 property is deemed to be substantially completed by the local
104 building code inspector or by November 1 after the rehabilitated
105 real property is first subject to assessment.

106 5. Only one exemption through a refund of previously paid
107 taxes for the rehabilitation of real property is allowed for any
108 single parcel of real property unless there is a change in
109 ownership, a new lessor, or a new lessee of the real property. A
110 refund may not be granted unless the amount to be refunded
111 exceeds \$500. A refund may not exceed the lesser of 97 percent
112 of the Florida sales or use tax paid on the cost of the building
113 materials used in the rehabilitation of the real property, as
114 determined pursuant to sub-subparagraph 2.e., or \$7,500. The
115 department shall make the refund within 30 days after formally
116 approving the application.

117 6. The department shall adopt rules governing the manner
118 and form of refund applications and may establish guidelines as
119 to the requisites for an affirmative showing of qualification
120 for exemption under this paragraph.

121 (19) ENERGY USED IN AN OPPORTUNITY ZONE.—

122 (a) Beginning July 1, 2023, a qualified business that uses
123 electrical energy, natural gas, or propane at a fixed location
124 in an opportunity zone in a municipality that has enacted an
125 ordinance pursuant to s. 166.231(9) which provides for exemption
126 of municipal utility taxes on such businesses shall receive an



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127 exemption equal to 50 percent of the tax imposed by this
128 chapter. A qualified business may receive such exemption for a
129 period of 5 years from the billing period beginning not more
130 than 30 days following the department notifying the applicable
131 utility company that an exemption has been authorized pursuant
132 to this subsection and s. 166.231(9).

133 (b) To receive this exemption, a business must file an
134 application with the department on a form provided for the
135 purposes of this subsection and s. 166.231(9). The application
136 must be made under oath and include all of the following:

137 1. The name and location of the business.

138 2. The census tract number of the opportunity zone in which
139 the business is located.

140 3. The date on which electrical, natural gas, or propane
141 service is to be first initiated at the business.

142 4. The name and mailing address of the entity from which
143 electrical energy, natural gas, or propane is to be purchased.

144 5. The date of the application.

145 6. The name of the city in which the business is located.

146 (c) An application for an exemption under this subsection
147 must be submitted to the department within 6 months after the
148 occurrence of the appropriate qualifying provision set out in
149 paragraph (f).

150 (d) If, in a subsequent audit conducted by the department,
151 it is determined that the business did not meet the criteria
152 mandated in this subsection, the amount of taxes exempted shall
153 immediately be due and payable to the department by the
154 business, together with the appropriate interest and penalty,
155 computed from the due date of each bill for the electrical



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156 energy, natural gas, or propane purchased as exempt under this
157 subsection, in the manner prescribed by this chapter.

158 (e) The department shall adopt rules governing applications
159 and the required forms for, and issuance of, the exemption
160 authorized in this subsection and provisions for recapture of
161 taxes exempted under this subsection, and the department may
162 establish guidelines as to qualifications for the exemption.

163 (f) For the purpose of the exemption provided in this
164 subsection, the term "qualified business" means a business that
165 is:

166 1. First occupying a new structure to which electrical,
167 natural gas, or propane service, other than that used for
168 construction purposes, has not been previously provided or
169 furnished;

170 2. Newly occupying an existing, remodeled, renovated, or
171 rehabilitated structure to which electrical, natural gas, or
172 propane service, other than that used for remodeling,
173 renovation, or rehabilitation of the structure, has not been
174 provided or furnished in the three preceding billing periods; or

175 3. Occupying a new, remodeled, rebuilt, renovated, or
176 rehabilitated structure for which a refund has been granted
177 pursuant to paragraph (5) (v).

178 Section 3. Paragraph (d) of subsection (1) of section
179 288.018, Florida Statutes, is amended to read:

180 288.018 Regional Rural Development Grants Program.—

181 (1)

182 (d) Grant funds received by a regional economic development
183 organization must be matched each year by nonstate financial or
184 in-kind contributions ~~resources~~ in an amount equal to 15 ~~25~~



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185 percent of the state contribution.

186 Section 4. Paragraph (c) of subsection (2) of section
187 288.065, Florida Statutes, is amended to read:

188 288.065 Rural Community Development Revolving Loan Fund.—
189 (2)

190 (c) All repayments of principal and interest shall be
191 returned to the loan fund and made available for loans to other
192 applicants. However, in a rural area of opportunity designated
193 by the Governor, and upon approval by the department, repayments
194 of principal and interest may be retained by the applicant if
195 such repayments are dedicated ~~and matched~~ to fund regionally
196 based economic development organizations representing the rural
197 area of opportunity.

198 Section 5. Subsection (1), paragraphs (b), (c), and (e) of
199 subsection (2), and subsection (3) of section 288.0655, Florida
200 Statutes, are amended to read:

201 288.0655 Rural Infrastructure Fund.—

202 (1) There is created within the department the Rural
203 Infrastructure Fund to facilitate the planning, preparing, and
204 financing of infrastructure ~~projects~~ in rural communities which
205 will encourage job creation, capital investment, and the
206 strengthening and diversification of rural economies by
207 promoting tourism, trade, and economic development.

208 (2)

209 (b) To facilitate access of rural communities and rural
210 areas of opportunity as defined by the Rural Economic
211 Development Initiative to infrastructure funding programs of the
212 Federal Government, such as those offered by the United States
213 Department of Agriculture and the United States Department of



214 Commerce, and state programs, including those offered by Rural
215 Economic Development Initiative agencies, and to facilitate
216 local government or private infrastructure funding efforts, the
217 department may award grants for up to 75 ~~50~~ percent of the total
218 infrastructure ~~project~~ cost. ~~Eligible projects must be related~~
219 ~~to specific job creation or job retention opportunities.~~
220 Eligible uses of funds ~~projects~~ may ~~also~~ include improving any
221 inadequate infrastructure that has resulted in regulatory action
222 that prohibits economic or community growth, reducing the costs
223 to community users of proposed infrastructure improvements that
224 exceed such costs in comparable communities, and improving
225 access to and the availability of broadband Internet service.
226 Eligible uses of funds shall include improvements to public
227 infrastructure for industrial or commercial sites, upgrades to
228 or development of public tourism infrastructure, and
229 improvements to broadband Internet service and access in
230 unserved or underserved rural communities. Improvements to
231 broadband Internet service and access must be conducted through
232 a partnership or partnerships with one or more dealers, as
233 defined in s. 202.11(2), and the partnership or partnerships
234 must be established through a competitive selection process that
235 is publicly noticed. Authorized infrastructure may include the
236 following public or public-private partnership facilities: storm
237 water systems; telecommunications facilities; broadband
238 facilities; roads or other remedies to transportation
239 impediments; nature-based tourism facilities; or other physical
240 requirements necessary to facilitate tourism, trade, and
241 economic development activities in the community. Authorized
242 infrastructure may also include publicly or privately owned



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243 self-powered nature-based tourism facilities, publicly owned
244 telecommunications facilities, and broadband facilities, and
245 additions to the distribution facilities of the existing natural
246 gas utility as defined in s. 366.04(3)(c), the existing electric
247 utility as defined in s. 366.02, or the existing water or
248 wastewater utility as defined in s. 367.021(12), or any other
249 existing water or wastewater facility, which owns a gas or
250 electric distribution system or a water or wastewater system in
251 this state where:

252 1. A contribution-in-aid of construction is required to
253 serve public or public-private partnership facilities under the
254 tariffs of any natural gas, electric, water, or wastewater
255 utility as defined herein; and

256 2. Such utilities as defined herein are willing and able to
257 provide such service.

258 ~~(c) To facilitate timely response and induce the location~~
259 ~~or expansion of specific job creating opportunities, The~~
260 department may award grants of up to \$300,000 for infrastructure
261 feasibility studies, design and engineering activities, or other
262 infrastructure planning and preparation activities. ~~Authorized~~
263 ~~grants shall be up to \$50,000 for an employment project with a~~
264 ~~business committed to create at least 100 jobs; up to \$150,000~~
265 ~~for an employment project with a business committed to create at~~
266 ~~least 300 jobs; and up to \$300,000 for a project in a rural area~~
267 ~~of opportunity.~~ Grants awarded under this paragraph may be used
268 in conjunction with grants awarded under paragraph (b), ~~provided~~
269 ~~that the total amount of both grants does not exceed 30 percent~~
270 ~~of the total project cost.~~ In evaluating applications under this
271 paragraph, the department shall consider the extent to which the



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272 application seeks to minimize administrative and consultant
273 expenses.

274 (e) To enable local governments to access the resources
275 available pursuant to s. 403.973(18), the department may award
276 grants for surveys, feasibility studies, and other activities
277 related to the identification and preclearance review of land
278 which is suitable for preclearance review. Authorized grants
279 under this paragraph do not require a local match and may not
280 exceed \$75,000 each, except in the case of a project in a rural
281 area of opportunity, in which case the grant may not exceed
282 \$300,000. ~~Any funds awarded under this paragraph must be matched~~
283 ~~at a level of 50 percent with local funds, except that any funds~~
284 ~~awarded for a project in a rural area of opportunity must be~~
285 ~~matched at a level of 33 percent with local funds. If an~~
286 ~~application for funding is for a catalyst site, as defined in s.~~
287 ~~288.0656, the requirement for local match may be waived pursuant~~
288 ~~to the process in s. 288.06561.~~ In evaluating applications under
289 this paragraph, the department shall consider the extent to
290 which the application seeks to minimize administrative and
291 consultant expenses.

292 (3) The department, in consultation with Enterprise
293 Florida, Inc., the Florida Tourism Industry Marketing
294 Corporation, the Department of Environmental Protection, and the
295 Florida Fish and Wildlife Conservation Commission, as
296 appropriate, shall review and certify applications pursuant to
297 s. 288.061. The review shall include an evaluation of the
298 economic benefit ~~of the projects and their~~ long-term viability.
299 The department shall have final approval for any grant under
300 this section.



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301 Section 6. Section 288.066, Florida Statutes, is created to
302 read:

303 288.066 Rural opportunity tax refund program.—

304 (1) DEFINITIONS.—As used in this section:

305 (a) "Account" means the Economic Development Incentives
306 Account within the Economic Development Trust Fund established
307 under s. 288.095.

308 (b) "Authorized local economic development agency" means a
309 public or private entity, including an entity defined in s.
310 288.075, authorized by a county or municipality to promote the
311 general business or industrial interests of that county or
312 municipality.

313 (c) "Average private sector wage in the area" means the
314 statewide private sector average wage or the average of all
315 private sector wages and salaries in the county or in the
316 standard metropolitan area in which the business is located.

317 (d) "Business" means an employing unit, as defined in s.
318 443.036, registered for reemployment assistance purposes with
319 the state agency providing reemployment assistance tax
320 collection services under an interagency agreement pursuant to
321 s. 443.1316, or a subcategory or division of an employing unit
322 accepted by the state agency providing reemployment assistance
323 tax collection services as a reporting unit.

324 (e) "Corporate headquarters business" means an
325 international, national, or regional headquarters office of a
326 multinational or multistate business enterprise or national
327 trade association, whether separate from or connected with other
328 facilities used by such business.

329 (f) "Expansion of an existing business" means the expansion



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330 of an existing Florida business by or through additions to real
331 and personal property, resulting in a net increase in
332 employment.

333 (g) "Fiscal year" means the fiscal year of the state.

334 (h) "Jobs" means full-time equivalent positions, including,
335 but not limited to, positions obtained from a temporary
336 employment agency or employee leasing company or through a union
337 agreement or coemployment under a professional employer
338 organization agreement, that result directly from a project in
339 this state. The term does not include temporary construction
340 jobs involved with the construction of facilities for the
341 project or any jobs previously included in any application for
342 tax refunds under s. 288.1045 or this section.

343 (i) "Local financial support" means funding from local
344 sources, public or private, which is paid to the Economic
345 Development Trust Fund and which is equal to 20 percent of the
346 annual tax refund for a qualified target industry business. A
347 qualified target industry business may not provide, directly or
348 indirectly, more than 5 percent of such funding in any fiscal
349 year. The sources of such funding may not include, directly or
350 indirectly, state funds appropriated from the General Revenue
351 Fund or any state trust fund, excluding tax revenues shared with
352 local governments pursuant to law.

353 (j) "Local financial support exemption option" means the
354 option to exercise an exemption from the local financial support
355 requirement available to any applicant whose project is located
356 in a brownfield area, a rural city, or a rural community. Any
357 applicant that exercises this option is not eligible for more
358 than 80 percent of the total tax refunds allowed such applicant



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359 under this section.

360 (k) "New business" means a business that applies for a tax
361 refund under this section before beginning operations in this
362 state and that is a legal entity separate from any other
363 commercial or industrial operations owned by the same business.

364 (l) "Project" means the creation of a new business or
365 expansion of an existing business.

366 (m) "Qualified target industry business" means a target
367 industry business approved by the department to be eligible for
368 tax refunds under this section.

369 (n) "Rural city" means a city having a population of 10,000
370 or less, or a city having a population of greater than 10,000
371 but less than 20,000, which has been determined by the
372 department to have such economic characteristics as, but not
373 limited to, a significant percentage of residents on public
374 assistance, a significant percentage of residents with incomes
375 below the poverty level, or a significant percentage of the
376 city's employment base in agriculture-related jobs.

377 (o) "Rural community" means:

378 1. A county having a population of 75,000 or less.

379 2. A county having a population of 125,000 or less which is
380 contiguous to a county having a population of 75,000 or less.

381 3. A municipality within a county described in subparagraph
382 1. or subparagraph 2.

383

384 For purposes of this paragraph, population shall be determined
385 in accordance with the most recent official estimate pursuant to
386 s. 186.901.

387 (p) "Target industry business" means a corporate



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388 headquarters business or any business engaged in one of the
389 target industries identified pursuant to subsection (2). The
390 term does not include any business engaged in retail industry
391 activities; any electric utility company as defined in s.
392 366.02(2); any phosphate or other solid minerals severance,
393 mining, or processing operation; any oil or gas exploration or
394 production operation; or any business subject to regulation by
395 the Division of Hotels and Restaurants of the Department of
396 Business and Professional Regulation. Any business in NAICS code
397 5611 or 5614, office administrative services and business
398 support services, respectively, may be considered a target
399 industry business only after the local governing body and
400 Enterprise Florida, Inc., determine that the community where the
401 business may locate has conditions affecting the fiscal and
402 economic viability of the local community or area, including,
403 but not limited to, such factors as low per capita income, high
404 unemployment, high underemployment, and a lack of year-round
405 stable employment opportunities, and such conditions may be
406 improved by the location of such a business to the community. By
407 January 1 of every 3rd year, beginning January 1, 2023, the
408 department, in consultation with Enterprise Florida, Inc.,
409 economic development organizations, the State University System,
410 local governments, employee and employer organizations, market
411 analysts, and economists, shall review and, as appropriate,
412 revise the list of such target industries and submit the list to
413 the Governor, the President of the Senate, and the Speaker of
414 the House of Representatives.

415 (q) "Taxable year" has the same meaning as provided in s.
416 220.03(1)(y).



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417 (2) DESIGNATION OF TARGET INDUSTRIES.—In identifying target
418 industries, the department, in consultation with Enterprise
419 Florida, Inc., shall consider the following criteria:

420 (a) *Future growth.*—Whether industry forecasts indicate
421 strong expectation for future growth in both employment and
422 output, according to the most recent available data. Special
423 consideration must be given to businesses that export goods to,
424 or provide services in, international markets and to businesses
425 that replace international imports of goods or services.

426 (b) *Stability.*—Special consideration must be given to an
427 industry not subject to periodic layoffs, whether due to
428 seasonality or sensitivity to volatile economic variables, such
429 as weather. The industry must also be relatively resistant to
430 recession, so that the demand for products of this industry is
431 not typically subject to decline during an economic downturn.

432 (c) *High wage.*—Whether the industry pays relatively high
433 wages compared to statewide or area averages.

434 (d) *Market and resource independent.*—Whether industry
435 business locations are not dependent upon Florida markets or
436 resources, as indicated by industry analysis, except for
437 businesses in the renewable energy industry.

438 (e) *Industrial base diversification and strengthening.*—
439 Whether the industry is contributing toward expanding or
440 diversifying the state's or area's economic base, as indicated
441 by analysis of the industry's share of employment and output,
442 compared to national and regional trends. Special consideration
443 must be given to industries that strengthen regional economies
444 by adding value to basic products or building regional
445 industrial clusters, as indicated by industry analysis. Special



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446 consideration must also be given to the development of strong
447 industrial clusters that include defense and homeland security
448 businesses.

449 (f) Positive economic impact.—Whether the industry is
450 expected to have strong positive economic impacts on or benefits
451 to the state or regional economies. Special consideration must
452 be given to industries that facilitate the development of this
453 state as a hub for domestic and global trade and logistics.

454 (3) TAX REFUND; ELIGIBLE AMOUNTS.—

455 (a) A qualified target industry business may be allowed a
456 refund from the account for the amount of eligible taxes the
457 business paid which is certified by the department. The total
458 amount of refunds for all fiscal years for each qualified target
459 industry business must be determined pursuant to subsection (4).
460 The annual amount of a refund to a qualified target industry
461 business must be determined pursuant to subsection (5).

462 (b) Upon approval by the department, a qualified target
463 industry business located in a rural community is allowed tax
464 refund payments equal to \$6,000 multiplied by the number of jobs
465 the business creates.

466 (c) A qualified target industry business may:

467 1. Receive refunds from the account for the following taxes
468 due and paid by that business beginning with the first taxable
469 year of the business which begins after the business has been
470 certified as a qualified target industry business:

471 a. Corporate income taxes under chapter 220.

472 b. Insurance premium tax under s. 624.509.

473 2. Receive refunds from the account for the following taxes
474 due and paid by that business after being certified as a



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475 qualified target industry business:

476 a. Taxes on sales, use, and other transactions under
477 chapter 212.

478 b. Intangible personal property taxes under chapter 199.

479 c. Excise taxes on documents under chapter 201.

480 d. Ad valorem taxes paid, as defined in s. 220.03(1).

481 e. State communications services taxes administered under
482 chapter 202. This provision does not apply to the gross receipts
483 tax imposed under chapter 203 and administered under chapter 202
484 or the local communications services tax authorized under s.
485 202.19.

486 (d) A qualified target industry business may not receive a
487 refund under this section for any amount of credit, refund, or
488 exemption previously granted to that business for any of the
489 taxes listed in paragraph (c). If the department provides a
490 refund for such taxes and the taxes are subsequently adjusted by
491 the application of any credit, refund, or exemption granted to
492 the qualified target industry business other than as provided in
493 this section, the business must reimburse the account for the
494 amount of that credit, refund, or exemption. A qualified target
495 industry business shall notify and tender payment to the
496 department within 20 days after receiving any credit, refund, or
497 exemption other than one provided under this section.

498 (e) Refunds made available under this section may not be
499 expended in connection with the relocation of a business from
500 one community to another community in this state unless the
501 department determines that, without such relocation, the
502 business will move outside this state, or it determines that the
503 business has a compelling economic rationale for relocation and



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504 that the relocation will create additional jobs.

505 (f) A qualified target industry business that fraudulently
506 claims a refund under this section:

507 1. Is liable for repayment of the amount of the refund to
508 the account, plus a mandatory penalty in the amount of 200
509 percent of the tax refund. The repayment shall be deposited into
510 the General Revenue Fund.

511 2. Commits a felony of the third degree, punishable as
512 provided in s. 775.082, s. 775.083, or s. 775.084.

513 (4) APPLICATION AND APPROVAL PROCESS.-

514 (a) To apply for certification as a qualified target
515 industry business under this section, the business must file an
516 application with the department before the business decides to
517 locate in this state or before the business decides to expand
518 its existing operations in this state. The application must
519 include, but need not be limited to, the following information:

520 1. The applicant's federal employer identification number
521 and, if applicable, state sales tax registration number.

522 2. The proposed permanent location of the applicant's
523 facility in this state where the project is to be located.

524 3. A description of the type of business activity or
525 product covered by the project, including a minimum of a five-
526 digit NAICS code for all activities included in the project. As
527 used in this paragraph, the term "NAICS" means those
528 classifications contained in the North American Industry
529 Classification System, as published in 2007 by the Office of
530 Management and Budget, Executive Office of the President, and
531 updated periodically.

532 4. The proposed number of net new full-time equivalent



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533 Florida jobs at the qualified target industry business as of
534 December 31 of each year included in the project and the average
535 wage of those jobs. If more than one type of business activity
536 or product is included in the project, the number of jobs and
537 average wage for those jobs must be separately stated for each
538 type of business activity or product.

539 5. The total number of full-time equivalent employees
540 employed by the applicant in this state, if applicable.

541 6. The anticipated commencement date of the project.

542 7. A brief statement explaining the role that the estimated
543 tax refunds to be requested will play in the decision of the
544 applicant to locate or expand in this state.

545 8. An estimate of the proportion of the sales resulting
546 from the project which will be made outside this state.

547 9. An estimate of the proportion of the cost of the
548 machinery and equipment, and any other resources necessary in
549 the development of its product or service, to be used by the
550 business in its Florida operations which will be purchased
551 outside this state.

552 10. A resolution adopted by the governing board of the
553 county or municipality in which the project will be located,
554 which resolution recommends that the applicant be approved as a
555 qualified target industry business and specifies that the
556 commitments of local financial support necessary for the target
557 industry business exist. Before the passage of such resolution,
558 the department may also accept an official letter from an
559 authorized local economic development agency which endorses the
560 proposed target industry project and pledges that sources of
561 local financial support for such project exist. For the purposes



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562 of making pledges of local financial support under this
563 subparagraph, the local governing board shall pass a one-time
564 resolution officially designating the authorized local economic
565 development agency.

566 11. Any additional information requested by the department.

567 (b) Each application must be submitted to the department
568 for determination of eligibility. The department shall review
569 and evaluate each application based on, but not limited to, the
570 following criteria:

571 1. Expected contributions to the state's economy,
572 consistent with the state strategic economic development plan
573 prepared by the department.

574 2. The economic benefits of the proposed award of tax
575 refunds under this section.

576 3. The amount of capital investment to be made by the
577 applicant in this state.

578 4. The local financial commitment and support for the
579 project.

580 5. The expected effect of the project on the unemployed and
581 underemployed in the county where the project will be located.

582 6. The expected effect of the award on the viability of the
583 project and the probability that the project would be undertaken
584 in this state if such tax refunds are granted to the applicant.

585 7. Whether the business activity or project is in an
586 industry identified by the department as a target industry
587 business that contributes to the economic growth of this state
588 and the area in which the business is located, produces a higher
589 standard of living for residents of this state in the new global
590 economy, or can be shown to make an equivalent contribution to



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591 the area's and this state's economic progress.

592 8. A review of the business' past activities in this state
593 or other states, including whether the business has been
594 subjected to criminal or civil fines and penalties. This
595 subparagraph does not require the disclosure of confidential
596 information.

597 (c) Applications shall be reviewed and certified pursuant
598 to s. 288.061. The department shall include in its review
599 projections of the tax refunds the business would be eligible to
600 receive in each fiscal year based on the creation and
601 maintenance of the net new Florida jobs specified in
602 subparagraph (a)4. as of December 31 of the preceding state
603 fiscal year.

604 (d) The department may not certify any target industry
605 business as a qualified target industry business if the value of
606 tax refunds to be included in that letter of certification
607 exceeds the available amount of authority to certify new
608 businesses as determined in s. 288.095(3). However, if the
609 commitments of local financial support represent less than 20
610 percent of the eligible tax refund payments, or to otherwise
611 preserve the viability and fiscal integrity of the program, the
612 department may certify a qualified target industry business to
613 receive tax refund payments of less than the allowable amount
614 specified in paragraph (3)(b). A letter of certification that
615 approves an application must specify the maximum amount of tax
616 refund that will be available to the qualified target industry
617 business in each fiscal year and the total amount of tax refunds
618 that will be available to the business for all fiscal years.

619 (e) This section does not create a presumption that an



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620 applicant will receive any tax refunds under this section.
621 However, the department may issue nonbinding opinion letters,
622 upon the request of prospective applicants, as to the
623 applicants' eligibility and the potential amount of refunds.

624 (5) ANNUAL CLAIM FOR REFUND.—

625 (a) To be eligible to claim any scheduled tax refund, a
626 qualified target industry business must apply by January 31 of
627 each fiscal year to the department for the tax refund scheduled
628 to be paid from the appropriation for the fiscal year that
629 begins on July 1 following the January 31 claims-submission
630 date. The department may, upon written request, grant a 30-day
631 extension of the filing date.

632 (b) The claim for refund by the qualified target industry
633 business must include a copy of all receipts pertaining to the
634 payment of taxes for which the refund is sought.

635 (c) The department may waive the requirement for proof of
636 taxes paid in future years for a qualified target industry
637 business that provides the department with proof that, in a
638 single year, the business has paid an amount of state taxes from
639 the categories in paragraph (3)(c) which is at least equal to
640 the total amount of tax refunds that the business may receive
641 through successful completion of its project.

642 (d) A tax refund may not be approved for a qualified target
643 industry business unless the required local financial support
644 has been paid into the account for that refund. If the local
645 financial support provided is less than 20 percent of the
646 approved tax refund, the tax refund must be reduced. The tax
647 refund may not exceed an amount equal to 5 times the amount of
648 the local financial support received. The qualified target



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649 industry business must provide a report listing all sources of
650 the local financial support to the department when such support
651 is paid to the account.

652 (e) The department, with such assistance as may be required
653 from the Department of Revenue, shall, by June 30 following the
654 scheduled date for submission of the tax refund claim, specify
655 by written order the approval or disapproval of the tax refund
656 claim and, if approved, the amount of the tax refund authorized
657 to be paid to the qualified target industry business. The
658 department may grant an extension of this date upon the request
659 of the qualified target industry business for the purpose of
660 filing additional information in support of the claim.

661 (f) The total amount of tax refund claims approved by the
662 department under this section in any fiscal year must not exceed
663 the amount authorized under s. 288.095(3).

664 (g) This section does not create a presumption that a tax
665 refund claim will be approved and paid.

666 (h) Upon approval of the tax refund under paragraphs (d)
667 and (e), the Chief Financial Officer shall issue a warrant for
668 the amount specified in the written order. If the written order
669 is appealed, the Chief Financial Officer may not issue a warrant
670 for a refund to the qualified target industry business until the
671 conclusion of all appeals of that order.

672 (6) ADMINISTRATION.—

673 (a) The department may verify information provided in any
674 claim submitted for tax credits under this section with regard
675 to employment and wage levels or the payment of the taxes to the
676 appropriate agency or authority, including the Department of
677 Revenue or any local government or authority.



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678 (b) To facilitate the process of monitoring and auditing
679 applications made under this section, the department may provide
680 a list of qualified target industry businesses to the Department
681 of Revenue or to any local government or authority. The
682 department may request the assistance of those entities with
683 respect to monitoring jobs, wages, and the payment of the taxes
684 listed in subsection (3).

685 (c) Funds specifically appropriated for tax refunds for
686 qualified target industry businesses under this section may not
687 be used by the department for any purpose other than the payment
688 of tax refunds authorized by this section.

689 Section 7. Section 288.095, Florida Statutes, is amended to
690 read:

691 288.095 Economic Development Trust Fund.—

692 (1) The Economic Development Trust Fund is created within
693 the Department of Economic Opportunity. Moneys deposited into
694 the fund must be used only to support the authorized activities
695 and operations of the department.

696 (2) There is created, within the Economic Development Trust
697 Fund, the Economic Development Incentives Account. The Economic
698 Development Incentives Account consists of moneys appropriated
699 to the account for purposes of the tax incentives programs
700 authorized under ss. 288.066, 288.1045, and 288.106 ~~ss. 288.1045~~
701 ~~and 288.106~~, and local financial support provided under ss.
702 288.066, 288.1045, and 288.106. Moneys in the Economic
703 Development Incentives Account shall be subject to the
704 provisions of s. 216.301(1)(a).

705 (3)(a) The department may approve applications for
706 certification pursuant to ss. 288.066, 288.1045(3), and 288.106.



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707 However, the total state share of tax refund payments may not
708 exceed \$35 million.

709 (b) The total amount of tax refund claims approved for
710 payment by the department based on actual project performance
711 may not exceed the amount appropriated to the Economic
712 Development Incentives Account for such purposes for the fiscal
713 year. Claims for tax refunds under ss. 288.066, 288.1045, and
714 288.106 shall be paid in the order the claims are approved by
715 the department. In the event the Legislature does not
716 appropriate an amount sufficient to satisfy the tax refunds
717 under ss. 288.066, 288.1045, and 288.106 in a fiscal year, the
718 department shall pay the tax refunds from the appropriation for
719 the following fiscal year. By March 1 of each year, the
720 department shall notify the legislative appropriations
721 committees of the Senate and House of Representatives of any
722 anticipated shortfall in the amount of funds needed to satisfy
723 claims for tax refunds from the appropriation for the current
724 fiscal year.

725 (c) Moneys in the Economic Development Incentives Account
726 may be used only to pay tax refunds and make other payments
727 authorized under s. 288.066, s. 288.1045, s. 288.106, or s.
728 288.107.

729 (d) The department may adopt rules necessary to carry out
730 the provisions of this subsection, including rules providing for
731 the use of moneys in the Economic Development Incentives Account
732 and for the administration of the Economic Development
733 Incentives Account.

734 Section 8. This act shall take effect July 1, 2022.

735



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736 ===== T I T L E A M E N D M E N T =====

737 And the title is amended as follows:

738 Delete everything before the enacting clause

739 and insert:

740 A bill to be entitled

741 An act relating to economic development; amending s.
742 212.02, F.S.; defining the term "opportunity zone";
743 amending s. 212.08, F.S.; defining terms; providing an
744 exemption from the state tax on sales, use, and other
745 transactions for building materials used in the
746 rehabilitation of real property in an opportunity
747 zone; specifying requirements, limitations, and
748 procedures for the exemption; requiring the department
749 to adopt rules; authorizing the department to
750 establish guidelines; providing an exemption from the
751 state tax on sales, use, and other transactions for
752 energy used in an opportunity zone, subject to certain
753 ordinances adopted by municipalities; specifying
754 requirements, limitations, and procedures for the
755 exemption; providing a penalty; requiring the
756 department to adopt rules; authorizing the department
757 to establish guidelines; defining the term "qualified
758 business"; amending s. 288.018, F.S.; revising the
759 matching requirement for grant funds received by a
760 regional economic development organization; amending
761 s. 288.065, F.S.; deleting the requirement for certain
762 repayments to be matched in rural areas of
763 opportunity; amending s. 288.0655, F.S.; revising the
764 purpose of the Rural Infrastructure Fund; revising



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765 authorized amounts and uses of certain grants;
766 providing that certain grants do not require local
767 matches; revising the requirements for review of
768 certain applications; creating s. 288.066, F.S.;
769 establishing a rural opportunity tax refund program
770 for qualified target industry businesses in rural
771 areas; defining terms; specifying the criteria the
772 Department of Economic Opportunity and Enterprise
773 Florida, Inc., must consider in identifying target
774 industries; authorizing the grant of certain tax
775 refunds under certain circumstances; specifying
776 limitations on refunds; providing administrative and
777 criminal penalties; specifying requirements and
778 procedures for applications; specifying requirements
779 and limitations for the review of applications by the
780 Department of Economic Opportunity; providing
781 construction; authorizing the Department of Economic
782 Opportunity to issue certain opinion letters;
783 providing requirements, procedures, and limitations
784 for annual refund claims; providing requirements for
785 the Chief Financial Officer for the issuance of
786 warrants for refunds; providing for administration by
787 the Department of Economic Opportunity; amending s.
788 288.095, F.S.; conforming provisions to changes made
789 by the act; providing an effective date.



812008

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Albritton) recommended the following:

1 **Senate Amendment to Amendment (264886) (with title**
2 **amendment)**

3
4 Between lines 4 and 5
5 insert:

6 Section 1. Present subsections (9) and (10) of section
7 166.231, Florida Statutes, are redesignated as subsections (10)
8 and (11), respectively, and a new subsection (9) is added to
9 that section, to read:

10 166.231 Municipalities; public service tax.-



812008

11 (9) Beginning July 1, 2023, a municipality may by ordinance
12 exempt not less than 100 percent of the tax imposed under this
13 section on purchasers of electrical energy, natural gas, or
14 propane who the Department of Revenue determines are eligible
15 for the exemption provided by s. 212.08(19). The exemption shall
16 be administered as provided in that section. The municipality
17 shall provide a copy of any ordinance adopted pursuant to this
18 subsection to the Department of Revenue not less than 14 days
19 before its effective date.

20
21 ===== T I T L E A M E N D M E N T =====

22 And the title is amended as follows:

23 Between lines 741 and 742

24 insert:

25 166.231, F.S.; authorizing municipalities to exempt by
26 ordinance the public service tax that specified users
27 would pay on energy purchases; requiring
28 municipalities to provide copies of such ordinances to
29 the Department of Revenue within a certain timeframe;
30 amending s.



816154

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Albritton) recommended the following:

Senate Amendment to Amendment (264886)

Delete line 218

and insert:

infrastructure ~~project~~ cost, or up to 100 percent of the total infrastructure project cost for a project that is located in a rural community as defined in s. 288.0656(2) (e) or a rural area of opportunity as defined in s. 288.0656(2) (d) and that is also located in a fiscally constrained county as defined in s. 218.67(1). ~~Eligible projects must be related~~

By Senator Albritton

26-00637-22

2022800__

1 A bill to be entitled
 2 An act relating to economic development; amending s.
 3 166.231, F.S.; authorizing municipalities to exempt by
 4 ordinance the public service tax that specified users
 5 would pay on electrical energy purchases; requiring
 6 municipalities to provide copies of such ordinances to
 7 the Department of Revenue within a certain timeframe;
 8 amending s. 212.02, F.S.; defining the term
 9 "opportunity zone"; amending s. 212.08, F.S.; defining
 10 terms; providing an exemption from the state tax on
 11 sales, use, and other transactions for building
 12 materials used in the rehabilitation of real property
 13 in an opportunity zone; specifying requirements,
 14 limitations, and procedures for the exemption;
 15 requiring the department to adopt rules; authorizing
 16 the department to establish guidelines; providing an
 17 exemption from the state tax on sales, use, and other
 18 transactions for electrical energy used in an
 19 opportunity zone, subject to certain ordinances
 20 adopted by municipalities; specifying requirements,
 21 limitations, and procedures for the exemption;
 22 providing a penalty; requiring the department to adopt
 23 rules; authorizing the department to establish
 24 guidelines; defining the term "qualified business";
 25 amending s. 212.098, F.S.; revising the qualification
 26 criteria and tax credit amounts for new and existing
 27 businesses under the Rural Job Tax Credit Program;
 28 creating s. 288.066, F.S.; establishing a rural
 29 opportunity tax refund program for qualified target

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

26-00637-22

2022800__

30 industry businesses in rural areas; defining terms;
 31 specifying the criteria the Department of Economic
 32 Opportunity and Enterprise Florida, Inc., must
 33 consider in identifying target industries; authorizing
 34 the grant of certain tax refunds under certain
 35 circumstances; specifying limitations on refunds;
 36 providing administrative and criminal penalties;
 37 specifying requirements and procedures for
 38 applications; specifying requirements and limitations
 39 for the review of applications by the Department of
 40 Economic Opportunity; providing construction;
 41 authorizing the Department of Economic Opportunity to
 42 issue certain opinion letters; providing requirements,
 43 procedures, and limitations for annual refund claims;
 44 providing requirements for the Chief Financial Officer
 45 for the issuance of warrants for refunds; providing
 46 for administration by the Department of Economic
 47 Opportunity; amending s. 288.095, F.S.; conforming
 48 provisions to changes made by the act; amending s.
 49 288.101, F.S.; requiring the Department of Economic
 50 Opportunity to allocate a specified amount of funds in
 51 the Florida Job Growth Grant Fund during a certain
 52 timeframe each year for projects within rural areas of
 53 opportunity; defining the term "rural area of
 54 opportunity"; providing an effective date.

56 Be It Enacted by the Legislature of the State of Florida:

58 Section 1. Present subsections (9) and (10) of section

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 166.231, Florida Statutes, are redesignated as subsections (10)
 60 and (11), respectively, and a new subsection (9) is added to
 61 that section, to read:
 62 166.231 Municipalities; public service tax.—
 63 (9) Beginning July 1, 2023, a municipality may by ordinance
 64 exempt not less than 100 percent of the tax imposed under this
 65 section on purchasers of electrical energy who the Department of
 66 Revenue determines are eligible for the exemption provided by s.
 67 212.08(19). The exemption shall be administered as provided in
 68 that section. The municipality shall provide a copy of any
 69 ordinance adopted pursuant to this subsection to the Department
 70 of Revenue not less than 14 days before its effective date.
 71 Section 2. Subsection (35) is added to section 212.02,
 72 Florida Statutes, to read:
 73 212.02 Definitions.—The following terms and phrases when
 74 used in this chapter have the meanings ascribed to them in this
 75 section, except where the context clearly indicates a different
 76 meaning:
 77 (35) "Opportunity zone" means a population census tract
 78 designated by the United States Department of the Treasury as a
 79 qualified opportunity zone pursuant to s. 1400Z-1(b)(1)(B) of
 80 the Internal Revenue Code.
 81 Section 3. Paragraph (v) is added to subsection (5) of
 82 section 212.08, Florida Statutes, and subsection (19) is added
 83 to that section, to read:
 84 212.08 Sales, rental, use, consumption, distribution, and
 85 storage tax; specified exemptions.—The sale at retail, the
 86 rental, the use, the consumption, the distribution, and the
 87 storage to be used or consumed in this state of the following

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88 are hereby specifically exempt from the tax imposed by this
 89 chapter.
 90 (5) EXEMPTIONS; ACCOUNT OF USE.—
 91 (v) Building materials used in the rehabilitation of real
 92 property located in an opportunity zone.—
 93 1. For the purposes of the exemption provided in this
 94 paragraph, the term:
 95 a. "Building materials" means tangible personal property
 96 that becomes a component part of improvements to real property.
 97 b. "Real property" has the same meaning as provided in s.
 98 192.001(12), except that the term does not include a condominium
 99 parcel or condominium property as defined in s. 718.103.
 100 c. "Rehabilitation of real property" means the
 101 reconstruction, renovation, restoration, rehabilitation,
 102 construction, or expansion of improvements to real property.
 103 d. "Substantially completed" has the same meaning as
 104 provided in s. 192.042(1).
 105 2. Building materials used in the rehabilitation of real
 106 property are exempt from the tax imposed by this chapter upon an
 107 affirmative showing to the satisfaction of the department that
 108 the items have been used for the rehabilitation of real property
 109 located in an opportunity zone. This exemption inures to the
 110 owner, lessee, or lessor at the time the real property is
 111 rehabilitated, but only through a refund of previously paid
 112 taxes. To receive a refund pursuant to this paragraph, the
 113 owner, lessee, or lessor of the rehabilitated real property must
 114 file an application under oath with the governing body having
 115 jurisdiction over the opportunity zone where the property is
 116 located, as applicable. A single application for a refund may be

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117 submitted for multiple, contiguous parcels that were part of a
 118 single parcel divided as part of the rehabilitation of the real
 119 property. All other requirements of this paragraph apply to each
 120 parcel on an individual basis. The application must include all
 121 of the following:

122 a. The name and address of the person claiming the refund.
 123 b. An address and assessment roll parcel number of the
 124 rehabilitated real property for which a refund of previously
 125 paid taxes is being sought.

126 c. A description of the improvements made to accomplish the
 127 rehabilitation of the real property.

128 d. A copy of a valid building permit issued by the county
 129 or municipal building department for the rehabilitation of the
 130 real property.

131 e. A sworn statement, under penalty of perjury, from the
 132 general contractor licensed in this state with whom the
 133 applicant contracted to make the improvements necessary to
 134 rehabilitate the real property. The sworn statement must list
 135 the building materials used to rehabilitate the real property,
 136 the actual cost of the building materials, and the amount of
 137 sales tax paid in this state on the building materials. If a
 138 general contractor was not used, the applicant, not a general
 139 contractor, shall make the sworn statement required by this sub-
 140 paragraph. Copies of the invoices that show the purchase of
 141 the building materials used in the rehabilitation and the
 142 payment of sales tax on the building materials must be attached
 143 to the sworn statement provided by the general contractor or by
 144 the applicant. Unless the actual cost of building materials used
 145 in the rehabilitation of real property and the payment of sales

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146 taxes are documented by a general contractor or by the applicant
 147 in this manner, the cost of the building materials is deemed to
 148 be an amount equal to 40 percent of the increase in assessed
 149 value for ad valorem tax purposes.

150 f. The census tract number of the opportunity zone in which
 151 the rehabilitated real property is located.

152 g. A certification by the local building code inspector
 153 that the improvements necessary to rehabilitate the real
 154 property are substantially completed.

155 3. Within 10 working days after receipt of an application,
 156 the governing body shall review the application to determine if
 157 it contains all the information required by subparagraph 1. and
 158 meets the criteria set forth in this paragraph. The governing
 159 body shall certify all applications that contain the required
 160 information and are eligible to receive a refund. The
 161 certification must be in writing, and a copy of the
 162 certification shall be transmitted to the executive director of
 163 the department. The applicant is responsible for forwarding a
 164 certified application to the department within the time
 165 specified in subparagraph 4.

166 4. An application for a refund must be submitted to the
 167 department within 6 months after the rehabilitation of the real
 168 property is deemed to be substantially completed by the local
 169 building code inspector or by November 1 after the rehabilitated
 170 real property is first subject to assessment.

171 5. Only one exemption through a refund of previously paid
 172 taxes for the rehabilitation of real property is allowed for any
 173 single parcel of real property unless there is a change in
 174 ownership, a new lessor, or a new lessee of the real property. A

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175 refund may not be granted unless the amount to be refunded
 176 exceeds \$500. A refund may not exceed the lesser of 97 percent
 177 of the Florida sales or use tax paid on the cost of the building
 178 materials used in the rehabilitation of the real property, as
 179 determined pursuant to sub-subparagraph 1.e., or \$7,500. The
 180 department shall make the refund within 30 days after formally
 181 approving the application.

182 6. The department shall adopt rules governing the manner
 183 and form of refund applications and may establish guidelines as
 184 to the requisites for an affirmative showing of qualification
 185 for exemption under this paragraph.

186 (19) ELECTRICAL ENERGY USED IN AN OPPORTUNITY ZONE.-
 187 (a) Beginning July 1, 2023, a qualified business that uses
 188 electrical energy at a fixed location in an opportunity zone in
 189 a municipality that has enacted an ordinance pursuant to s.
 190 166.231(9) which provides for exemption of municipal utility
 191 taxes on such businesses shall receive an exemption equal to 50
 192 percent of the tax imposed by this chapter. A qualified business
 193 may receive such exemption for a period of 5 years from the
 194 billing period beginning not more than 30 days following the
 195 department notifying the applicable utility company that an
 196 exemption has been authorized pursuant to this subsection and s.
 197 166.231(9).

198 (b) To receive this exemption, a business must file an
 199 application with the department on a form provided for the
 200 purposes of this subsection and s. 166.231(9). The application
 201 must be made under oath and include all of the following:

- 202 1. The name and location of the business.
 203 2. The census tract number of the opportunity zone in which

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204 the business is located.

205 3. The date on which electrical service is to be first
 206 initiated at the business.

207 4. The name and mailing address of the entity from which
 208 electrical energy is to be purchased.

209 5. The date of the application.

210 6. The name of the city in which the business is located.

211 (c) An application for an exemption under this subsection
 212 must be submitted to the department within 6 months after the
 213 occurrence of the appropriate qualifying provision set out in
 214 paragraph (f).

215 (d) If, in a subsequent audit conducted by the department,
 216 it is determined that the business did not meet the criteria
 217 mandated in this subsection, the amount of taxes exempted shall
 218 immediately be due and payable to the department by the
 219 business, together with the appropriate interest and penalty,
 220 computed from the due date of each bill for the electrical
 221 energy purchased as exempt under this subsection, in the manner
 222 prescribed by this chapter.

223 (e) The department shall adopt rules governing applications
 224 and the required forms for, and issuance of, the exemption
 225 authorized in this subsection and provisions for recapture of
 226 taxes exempted under this subsection, and the department may
 227 establish guidelines as to qualifications for the exemption.

228 (f) For the purpose of the exemption provided in this
 229 subsection, the term "qualified business" means a business that
 230 is:

- 231 1. First occupying a new structure to which electrical
 232 service, other than that used for construction purposes, has not

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233 been previously provided or furnished;

234 2. Newly occupying an existing, remodeled, renovated, or
 235 rehabilitated structure to which electrical service, other than
 236 that used for remodeling, renovation, or rehabilitation of the
 237 structure, has not been provided or furnished in the three
 238 preceding billing periods; or

239 3. Occupying a new, remodeled, rebuilt, renovated, or
 240 rehabilitated structure for which a refund has been granted
 241 pursuant to paragraph (5) (v).

242 Section 4. Subsections (2) and (3) of section 212.098,
 243 Florida Statutes, are amended to read:

244 212.098 Rural Job Tax Credit Program.—

245 (2) A new eligible business may apply for a tax credit
 246 under this subsection once at any time during its first year of
 247 operation. A new eligible business in a qualified area ~~that has~~
 248 ~~at least 10 qualified employees on the date of application~~ shall
 249 receive a \$2,500 ~~\$1,000~~ tax credit for each such employee.

250 (3) An existing eligible business may apply for a tax
 251 credit under this subsection at any time it is entitled to such
 252 credit, except as restricted by this subsection. An existing
 253 eligible business with fewer than 50 employees in a qualified
 254 area that on the date of application has at least 10 ~~20~~ percent
 255 more qualified employees than it had 1 year ~~before~~ prior to its
 256 date of application shall receive a \$2,000 ~~\$1,000~~ tax credit for
 257 each such additional employee. An existing eligible business
 258 that has 50 employees or more in a qualified area that, on the
 259 date of application, has at least 5 ~~10~~ more qualified employees
 260 than it had 1 year ~~before~~ prior to its date of application shall
 261 receive a \$1,500 ~~\$1,000~~ tax credit for each additional employee.

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262 Any existing eligible business that received a credit under
 263 subsection (2) may not apply for the credit under this
 264 subsection sooner than 12 months after the application date for
 265 the credit under subsection (2).

266 Section 5. Section 288.066, Florida Statutes, is created to
 267 read:

268 288.066 Rural opportunity tax refund program.—

269 (1) DEFINITIONS.—As used in this section:

270 (a) "Account" means the Economic Development Incentives
 271 Account within the Economic Development Trust Fund established
 272 under s. 288.095.

273 (b) "Authorized local economic development agency" means a
 274 public or private entity, including an entity defined in s.
 275 288.075, authorized by a county or municipality to promote the
 276 general business or industrial interests of that county or
 277 municipality.

278 (c) "Average private sector wage in the area" means the
 279 statewide private sector average wage or the average of all
 280 private sector wages and salaries in the county or in the
 281 standard metropolitan area in which the business is located.

282 (d) "Business" means an employing unit, as defined in s.
 283 443.036, registered for reemployment assistance purposes with
 284 the state agency providing reemployment assistance tax
 285 collection services under an interagency agreement pursuant to
 286 s. 443.1316, or a subcategory or division of an employing unit
 287 accepted by the state agency providing reemployment assistance
 288 tax collection services as a reporting unit.

289 (e) "Corporate headquarters business" means an
 290 international, national, or regional headquarters office of a

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291 multinational or multistate business enterprise or national
 292 trade association, whether separate from or connected with other
 293 facilities used by such business.
 294 (f) "Expansion of an existing business" means the expansion
 295 of an existing Florida business by or through additions to real
 296 and personal property, resulting in a net increase in
 297 employment.
 298 (g) "Fiscal year" means the fiscal year of the state.
 299 (h) "Jobs" means full-time equivalent positions, including,
 300 but not limited to, positions obtained from a temporary
 301 employment agency or employee leasing company or through a union
 302 agreement or coemployment under a professional employer
 303 organization agreement, that result directly from a project in
 304 this state. The term does not include temporary construction
 305 jobs involved with the construction of facilities for the
 306 project or any jobs previously included in any application for
 307 tax refunds under s. 288.1045 or this section.
 308 (i) "Local financial support" means funding from local
 309 sources, public or private, which is paid to the Economic
 310 Development Trust Fund and which is equal to 20 percent of the
 311 annual tax refund for a qualified target industry business. A
 312 qualified target industry business may not provide, directly or
 313 indirectly, more than 5 percent of such funding in any fiscal
 314 year. The sources of such funding may not include, directly or
 315 indirectly, state funds appropriated from the General Revenue
 316 Fund or any state trust fund, excluding tax revenues shared with
 317 local governments pursuant to law.
 318 (j) "Local financial support exemption option" means the
 319 option to exercise an exemption from the local financial support

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320 requirement available to any applicant whose project is located
 321 in a brownfield area, a rural city, or a rural community. Any
 322 applicant that exercises this option is not eligible for more
 323 than 80 percent of the total tax refunds allowed such applicant
 324 under this section.
 325 (k) "New business" means a business that applies for a tax
 326 refund under this section before beginning operations in this
 327 state and that is a legal entity separate from any other
 328 commercial or industrial operations owned by the same business.
 329 (l) "Project" means the creation of a new business or
 330 expansion of an existing business.
 331 (m) "Qualified target industry business" means a target
 332 industry business approved by the department to be eligible for
 333 tax refunds under this section.
 334 (n) "Rural city" means a city having a population of 10,000
 335 or less, or a city having a population of greater than 10,000
 336 but less than 20,000, which has been determined by the
 337 department to have such economic characteristics as, but not
 338 limited to, a significant percentage of residents on public
 339 assistance, a significant percentage of residents with incomes
 340 below the poverty level, or a significant percentage of the
 341 city's employment base in agriculture-related jobs.
 342 (o) "Rural community" means:
 343 1. A county having a population of 75,000 or less.
 344 2. A county having a population of 125,000 or less which is
 345 contiguous to a county having a population of 75,000 or less.
 346 3. A municipality within a county described in subparagraph
 347 1. or subparagraph 2.
 348

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349 For purposes of this paragraph, population shall be determined
 350 in accordance with the most recent official estimate pursuant to
 351 s. 186.901.

352 (p) "Target industry business" means a corporate
 353 headquarters business or any business engaged in one of the
 354 target industries identified pursuant to subsection (2). The
 355 term does not include any business engaged in retail industry
 356 activities; any electric utility company as defined in s.
 357 366.02(2); any phosphate or other solid minerals severance,
 358 mining, or processing operation; any oil or gas exploration or
 359 production operation; or any business subject to regulation by
 360 the Division of Hotels and Restaurants of the Department of
 361 Business and Professional Regulation. Any business in NAICS code
 362 5611 or 5614, office administrative services and business
 363 support services, respectively, may be considered a target
 364 industry business only after the local governing body and
 365 Enterprise Florida, Inc., determine that the community where the
 366 business may locate has conditions affecting the fiscal and
 367 economic viability of the local community or area, including but
 368 not limited to, such factors as low per capita income, high
 369 unemployment, high underemployment, and a lack of year-round
 370 stable employment opportunities, and such conditions may be
 371 improved by the location of such a business to the community. By
 372 January 1 of every 3rd year, beginning January 1, 2023, the
 373 department, in consultation with Enterprise Florida, Inc.,
 374 economic development organizations, the State University System,
 375 local governments, employee and employer organizations, market
 376 analysts, and economists, shall review and, as appropriate,
 377 revise the list of such target industries and submit the list to

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378 the Governor, the President of the Senate, and the Speaker of
 379 the House of Representatives.

380 (q) "Taxable year" means taxable year as defined in s.
 381 220.03(1)(y).

382 (2) DESIGNATION OF TARGET INDUSTRIES.—In identifying target
 383 industries, the department in consultation with Enterprise
 384 Florida, Inc., shall consider the following criteria:

385 (a) Future growth.—Whether industry forecasts indicate
 386 strong expectation for future growth in both employment and
 387 output, according to the most recent available data. Special
 388 consideration must be given to businesses that export goods to,
 389 or provide services in, international markets and to businesses
 390 that replace international imports of goods or services.

391 (b) Stability.—Special consideration must be given to an
 392 industry not subject to periodic layoffs, whether due to
 393 seasonality or sensitivity to volatile economic variables, such
 394 as weather. The industry must also be relatively resistant to
 395 recession, so that the demand for products of this industry is
 396 not typically subject to decline during an economic downturn.

397 (c) High wage.—Whether the industry pays relatively high
 398 wages compared to statewide or area averages.

399 (d) Market and resource independent.—Whether industry
 400 business locations are not dependent upon Florida markets or
 401 resources, as indicated by industry analysis, except for
 402 businesses in the renewable energy industry.

403 (e) Industrial base diversification and strengthening.—
 404 Whether the industry is contributing toward expanding or
 405 diversifying the state's or area's economic base, as indicated
 406 by analysis of the industry's share of employment and output,

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 407 compared to national and regional trends. Special consideration
 408 must be given to industries that strengthen regional economies
 409 by adding value to basic products or building regional
 410 industrial clusters, as indicated by industry analysis. Special
 411 consideration must also be given to the development of strong
 412 industrial clusters that include defense and homeland security
 413 businesses.

414 (f) Positive economic impact.—Whether the industry is
 415 expected to have strong positive economic impacts on or benefits
 416 to the state or regional economies. Special consideration must
 417 be given to industries that facilitate the development of the
 418 state as a hub for domestic and global trade and logistics.

419 (3) TAX REFUND; ELIGIBLE AMOUNTS.—

420 (a) A qualified target industry business may be allowed a
 421 refund from the account for the amount of eligible taxes the
 422 business paid which is certified by the department. The total
 423 amount of refunds for all fiscal years for each qualified target
 424 industry business must be determined pursuant to subsection (4).
 425 The annual amount of a refund to a qualified target industry
 426 business must be determined pursuant to subsection (5).

427 (b) Upon approval by the department, a qualified target
 428 industry business located in a rural community is allowed tax
 429 refund payments equal to \$6,000 multiplied by the number of jobs
 430 the business creates.

431 (c) A qualified target industry business may:

432 1. Receive refunds from the account for the following taxes
 433 due and paid by that business beginning with the first taxable
 434 year of the business which begins after the business has been
 435 certified as a qualified target industry business:

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 436 a. Corporate income taxes under chapter 220.
 437 b. Insurance premium tax under s. 624.509.
 438 2. Receive refunds from the account for the following taxes
 439 due and paid by that business after being certified as a
 440 qualified target industry business:
 441 a. Taxes on sales, use, and other transactions under
 442 chapter 212.
 443 b. Intangible personal property taxes under chapter 199.
 444 c. Excise taxes on documents under chapter 201.
 445 d. Ad valorem taxes paid, as defined in s. 220.03(1).
 446 e. State communications services taxes administered under
 447 chapter 202. This provision does not apply to the gross receipts
 448 tax imposed under chapter 203 and administered under chapter 202
 449 or the local communications services tax authorized under s.
 450 202.19.

451 (d) A qualified target industry business may not receive a
 452 refund under this section for any amount of credit, refund, or
 453 exemption previously granted to that business for any of the
 454 taxes listed in paragraph (c). If the department provides a
 455 refund for such taxes and the taxes are subsequently adjusted by
 456 the application of any credit, refund, or exemption granted to
 457 the qualified target industry business other than as provided in
 458 this section, the business must reimburse the account for the
 459 amount of that credit, refund, or exemption. A qualified target
 460 industry business shall notify and tender payment to the
 461 department within 20 days after receiving any credit, refund, or
 462 exemption other than one provided under this section.

463 (e) Refunds made available under this section may not be
 464 expended in connection with the relocation of a business from

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465 one community to another community in this state unless the
 466 department determines that, without such relocation, the
 467 business will move outside this state, or it determines that the
 468 business has a compelling economic rationale for relocation and
 469 that the relocation will create additional jobs.

470 (f) A qualified target industry business that fraudulently
 471 claims a refund under this section:

472 1. Is liable for repayment of the amount of the refund to
 473 the account, plus a mandatory penalty in the amount of 200
 474 percent of the tax refund. The repayment shall be deposited into
 475 the General Revenue Fund.

476 2. Commits a felony of the third degree, punishable as
 477 provided in s. 775.082, s. 775.083, or s. 775.084.

478 (4) APPLICATION AND APPROVAL PROCESS.—

479 (a) To apply for certification as a qualified target
 480 industry business under this section, the business must file an
 481 application with the department before the business decides to
 482 locate in this state or before the business decides to expand
 483 its existing operations in this state. The application must
 484 include, but need not be limited to, the following information:

485 1. The applicant's federal employer identification number
 486 and, if applicable, state sales tax registration number.

487 2. The proposed permanent location of the applicant's
 488 facility in this state where the project is to be located.

489 3. A description of the type of business activity or
 490 product covered by the project, including a minimum of a five-
 491 digit NAICS code for all activities included in the project. As
 492 used in this paragraph, the term "NAICS" means those
 493 classifications contained in the North American Industry

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494 Classification System, as published in 2007 by the Office of
 495 Management and Budget, Executive Office of the President, and
 496 updated periodically.

497 4. The proposed number of net new full-time equivalent
 498 Florida jobs at the qualified target industry business as of
 499 December 31 of each year included in the project and the average
 500 wage of those jobs. If more than one type of business activity
 501 or product is included in the project, the number of jobs and
 502 average wage for those jobs must be separately stated for each
 503 type of business activity or product.

504 5. The total number of full-time equivalent employees
 505 employed by the applicant in this state, if applicable.

506 6. The anticipated commencement date of the project.

507 7. A brief statement explaining the role that the estimated
 508 tax refunds to be requested will play in the decision of the
 509 applicant to locate or expand in this state.

510 8. An estimate of the proportion of the sales resulting
 511 from the project which will be made outside this state.

512 9. An estimate of the proportion of the cost of the
 513 machinery and equipment, and any other resources necessary in
 514 the development of its product or service, to be used by the
 515 business in its Florida operations which will be purchased
 516 outside this state.

517 10. A resolution adopted by the governing board of the
 518 county or municipality in which the project will be located,
 519 which resolution recommends that the applicant be approved as a
 520 qualified target industry business and specifies that the
 521 commitments of local financial support necessary for the target
 522 industry business exist. Before the passage of such resolution,

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523 the department may also accept an official letter from an
 524 authorized local economic development agency that endorses the
 525 proposed target industry project and pledges that sources of
 526 local financial support for such project exist. For the purposes
 527 of making pledges of local financial support under this
 528 subparagraph, the local governing board shall pass a one-time
 529 resolution officially designating the authorized local economic
 530 development agency.

531 11. Any additional information requested by the department.

532 (b) Each application must be submitted to the department
 533 for determination of eligibility. The department shall review
 534 and evaluate each application based on, but not limited to, the
 535 following criteria:

536 1. Expected contributions to the state's economy,
 537 consistent with the state strategic economic development plan
 538 prepared by the department.

539 2. The economic benefits of the proposed award of tax
 540 refunds under this section.

541 3. The amount of capital investment to be made by the
 542 applicant in this state.

543 4. The local financial commitment and support for the
 544 project.

545 5. The expected effect of the project on the unemployed and
 546 underemployed in the county where the project will be located.

547 6. The expected effect of the award on the viability of the
 548 project and the probability that the project would be undertaken
 549 in this state if such tax refunds are granted to the applicant.

550 7. Whether the business activity or project is in an
 551 industry identified by the department as a target industry

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552 business that contributes to the economic growth of the state
 553 and the area in which the business is located, produces a higher
 554 standard of living for residents of this state in the new global
 555 economy, or can be shown to make an equivalent contribution to
 556 the area's and state's economic progress.

557 8. A review of the business's past activities in this state
 558 or other states, including whether the business has been
 559 subjected to criminal or civil fines and penalties. This
 560 subparagraph does not require the disclosure of confidential
 561 information.

562 (c) Applications shall be reviewed and certified pursuant
 563 to s. 288.061. The department shall include in its review
 564 projections of the tax refunds the business would be eligible to
 565 receive in each fiscal year based on the creation and
 566 maintenance of the net new Florida jobs specified in
 567 subparagraph (a)4. as of December 31 of the preceding state
 568 fiscal year.

569 (d) The department may not certify any target industry
 570 business as a qualified target industry business if the value of
 571 tax refunds to be included in that letter of certification
 572 exceeds the available amount of authority to certify new
 573 businesses as determined in s. 288.095(3). However, if the
 574 commitments of local financial support represent less than 20
 575 percent of the eligible tax refund payments, or to otherwise
 576 preserve the viability and fiscal integrity of the program, the
 577 department may certify a qualified target industry business to
 578 receive tax refund payments of less than the allowable amount
 579 specified in paragraph (3)(b). A letter of certification that
 580 approves an application must specify the maximum amount of tax

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581 refund that will be available to the qualified target industry
 582 business in each fiscal year and the total amount of tax refunds
 583 that will be available to the business for all fiscal years.

584 (e) This section does not create a presumption that an
 585 applicant will receive any tax refunds under this section.
 586 However, the department may issue nonbinding opinion letters,
 587 upon the request of prospective applicants, as to the
 588 applicants' eligibility and the potential amount of refunds.

589 (5) ANNUAL CLAIM FOR REFUND.—

590 (a) To be eligible to claim any scheduled tax refund, a
 591 qualified target industry business must apply by January 31 of
 592 each fiscal year to the department for the tax refund scheduled
 593 to be paid from the appropriation for the fiscal year that
 594 begins on July 1 following the January 31 claims-submission
 595 date. The department may, upon written request, grant a 30-day
 596 extension of the filing date.

597 (b) The claim for refund by the qualified target industry
 598 business must include a copy of all receipts pertaining to the
 599 payment of taxes for which the refund is sought.

600 (c) The department may waive the requirement for proof of
 601 taxes paid in future years for a qualified target industry
 602 business that provides the department with proof that, in a
 603 single year, the business has paid an amount of state taxes from
 604 the categories in paragraph (3)(c) which is at least equal to
 605 the total amount of tax refunds that the business may receive
 606 through successful completion of its project.

607 (d) A tax refund may not be approved for a qualified target
 608 industry business unless the required local financial support
 609 has been paid into the account for that refund. If the local

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610 financial support provided is less than 20 percent of the
 611 approved tax refund, the tax refund must be reduced. The tax
 612 refund may not exceed an amount equal to 5 times the amount of
 613 the local financial support received. The qualified target
 614 industry business must provide a report listing all sources of
 615 the local financial support to the department when such support
 616 is paid to the account.

617 (e) The department, with such assistance as may be required
 618 from the Department of Revenue, shall, by June 30 following the
 619 scheduled date for submission of the tax refund claim, specify
 620 by written order the approval or disapproval of the tax refund
 621 claim and, if approved, the amount of the tax refund authorized
 622 to be paid to the qualified target industry business. The
 623 department may grant an extension of this date upon the request
 624 of the qualified target industry business for the purpose of
 625 filing additional information in support of the claim.

626 (f) The total amount of tax refund claims approved by the
 627 department under this section in any fiscal year must not exceed
 628 the amount authorized under s. 288.095(3).

629 (g) This section does not create a presumption that a tax
 630 refund claim will be approved and paid.

631 (h) Upon approval of the tax refund under paragraphs (d)
 632 and (e), the Chief Financial Officer shall issue a warrant for
 633 the amount specified in the written order. If the written order
 634 is appealed, the Chief Financial Officer may not issue a warrant
 635 for a refund to the qualified target industry business until the
 636 conclusion of all appeals of that order.

637 (6) ADMINISTRATION.—

638 (a) The department may verify information provided in any

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639 claim submitted for tax credits under this section with regard
 640 to employment and wage levels or the payment of the taxes to the
 641 appropriate agency or authority, including the Department of
 642 Revenue or any local government or authority.

643 (b) To facilitate the process of monitoring and auditing
 644 applications made under this section, the department may provide
 645 a list of qualified target industry businesses to the Department
 646 of Revenue or to any local government or authority. The
 647 department may request the assistance of those entities with
 648 respect to monitoring jobs, wages, and the payment of the taxes
 649 listed in subsection (3).

650 (c) Funds specifically appropriated for tax refunds for
 651 qualified target industry businesses under this section may not
 652 be used by the department for any purpose other than the payment
 653 of tax refunds authorized by this section.

654 Section 6. Section 288.095, Florida Statutes, is amended to
 655 read:

656 288.095 Economic Development Trust Fund.—

657 (1) The Economic Development Trust Fund is created within
 658 the Department of Economic Opportunity. Moneys deposited into
 659 the fund must be used only to support the authorized activities
 660 and operations of the department.

661 (2) There is created, within the Economic Development Trust
 662 Fund, the Economic Development Incentives Account. The Economic
 663 Development Incentives Account consists of moneys appropriated
 664 to the account for purposes of the tax incentives programs
 665 authorized under ss. 288.066, 288.1045, and 288.106, and local
 666 financial support provided under ss. 288.066, 288.1045, and
 667 288.106. Moneys in the Economic Development Incentives Account

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668 shall be subject to the provisions of s. 216.301(1) (a).

669 (3) (a) The department may approve applications for
 670 certification pursuant to ss. 288.066, 288.1045(3), and 288.106.
 671 However, the total state share of tax refund payments may not
 672 exceed \$35 million.

673 (b) The total amount of tax refund claims approved for
 674 payment by the department based on actual project performance
 675 may not exceed the amount appropriated to the Economic
 676 Development Incentives Account for such purposes for the fiscal
 677 year. Claims for tax refunds under ss. 288.066, 288.1045, and
 678 288.106 shall be paid in the order the claims are approved by
 679 the department. In the event the Legislature does not
 680 appropriate an amount sufficient to satisfy the tax refunds
 681 under ss. 288.066, 288.1045, and 288.106 in a fiscal year, the
 682 department shall pay the tax refunds from the appropriation for
 683 the following fiscal year. By March 1 of each year, the
 684 department shall notify the legislative appropriations
 685 committees of the Senate and House of Representatives of any
 686 anticipated shortfall in the amount of funds needed to satisfy
 687 claims for tax refunds from the appropriation for the current
 688 fiscal year.

689 (c) Moneys in the Economic Development Incentives Account
 690 may be used only to pay tax refunds and make other payments
 691 authorized under s. 288.066, s. 288.1045, s. 288.106, or s.
 692 288.107.

693 (d) The department may adopt rules necessary to carry out
 694 the provisions of this subsection, including rules providing for
 695 the use of moneys in the Economic Development Incentives Account
 696 and for the administration of the Economic Development

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697 Incentives Account.

698 Section 7. Present subsections (3) and (4) of section
699 288.101, Florida Statutes, are redesignated as subsections (4)
700 and (5), respectively, a new subsection (3) is added to that
701 section, and present subsection (3) of that section is amended,
702 to read:

703 288.101 Florida Job Growth Grant Fund.—

704 (3) For the first quarter of each fiscal year, the
705 department shall allocate an amount equal to 10 percent of the
706 funds in the Florida Job Growth Grant Fund to projects within
707 rural areas of opportunity.

708 (4)~~(3)~~ For purposes of this section:

709 (a) "Infrastructure" means any fixed capital expenditure or
710 fixed capital costs associated with the construction,
711 reconstruction, or improvement of facilities that have a life
712 expectancy of 5 or more years and any land acquisition, land
713 improvement, design, and engineering costs related thereto.
714 Facilities in this category include technical structures such as
715 roads, bridges, tunnels, water supply, sewers, electrical grids,
716 and telecommunications facilities.

717 (b) "Public infrastructure" means infrastructure that is
718 owned by the public, and is for public use or predominately
719 benefits the public. If public infrastructure is leased or sold,
720 it must be leased or sold at fair market rates or value.

721 (c) "Rural area of opportunity" has the same meaning as in
722 s. 288.0656(2)(d).

723 (d) "Targeted industry" means any industry identified in
724 the most recent list provided to the Governor, the President of
725 the Senate, and the Speaker of the House of Representatives in

Page 25 of 26

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

26-00637-22

2022800__

726 accordance with s. 288.106(2)(q).

727 Section 8. This act shall take effect July 1, 2022.

Page 26 of 26

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



The Florida Senate

Committee Agenda Request

To: Senator Ana Maria Rodriguez, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: December 30, 2021

I respectfully request that **Senate Bill #800**, relating to Economic Development, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink, appearing to read "Ben Albritton".

Senator Ben Albritton
Florida Senate, District 26

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

02/10/2022

Meeting Date

Finance and Tax

Committee

800

Bill Number or Topic

816154

Amendment Barcode (if applicable)

Name **Ethan Perry**

Phone **850-245-7109**

Address **107 E Madison St.**

Email **ethan.perry@deo.myflorida.com**

Street

Tallahassee

FL

32399

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Department of Economic Opportunity

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. 511.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

2/10/22

Meeting Date

SB 800

Bill Number or Topic

Finance & Tax

Committee

Amendment Barcode (if applicable)

Name Cardyn Johnson

Phone 521-1200

Address 134 S Bronough St

Street

Email cjohnson@flchamber.com

Tallahassee FL

City

State

32301

Zip

Speaking: For Against Information OR Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

FL Chamber of Commerce

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. § 11.045 and Joint Rule 1. [2020-2022JointRules.pdf flsenate.gov](https://www.flsenate.gov/2020-2022JointRules.pdf)

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S-001 (08/10/2021)

2/10/22

Meeting Date

Finance and Tax

Committee

The Florida Senate

APPEARANCE RECORD

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Senate professional staff conducting the meeting

SB 800

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Mike Grissom**

Phone **561-310-4079**

Address **215 S. Monroe Street, Suite 301**

Email **michael.grissom@bipc.com**

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Rural Economic Development Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf](#) (flsenate.gov)

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S-001 (08/10/2021)

2/10/22

Meeting Date

Finance and Tax

Committee

Name Mark Kruse

Address 215 S. Monroe Street, Suite 301

Street

Tallahassee

City

FL

State

32301

Zip

Phone 850-519-2169

Email mark.kruse@bipc.com

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
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SB 800

Bill Number or Topic

Amendment Barcode (if applicable)

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Columbia County

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

2/10/22

Meeting Date

Finance + Tax

Committee

The Florida Senate APPEARANCE RECORD

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Senate professional staff conducting the meeting

SB 800

Bill Number or Topic

Amendment Barcode (if applicable)

Name Jeff Scala

Phone (727) 637-4081

Address 100 S Monroe

Email jscala@fl-counties.com

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

Florida Association of Counties

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

February 10, 2022

The Florida Senate
APPEARANCE RECORD

800

Meeting Date
Finance & Tax

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Committee
Darrick D. McGhee, Sr

Amendment Barcode (if applicable)

Name
537 East Park Avenue

Phone
(850) 321-6489

Address
Tallahassee **FL** **32301**

Email
darrick@teamjb.com

Reset Form

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

<input type="checkbox"/> I am appearing without compensation or sponsorship.	<input checked="" type="checkbox"/> I am a registered lobbyist, representing: Florida's Great Northwest	<input type="checkbox"/> I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:
--	---	---

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

800

Bill Number or Topic

2-10-22

Meeting Date

F+T

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Amendment Barcode (if applicable)

Name

Chris Doolin

Phone

850-508-5492

Address

1018 Thomasville Rd. Ste 102B

Email

cdoolin@doolinandassoc.com

Street

Tallahassee, Fla.

32308

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SJR 1746

INTRODUCER: Finance and Tax Committee and Senator Brodeur

SUBJECT: Homestead Property Tax Exemption

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	Favorable
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SJR 1746 proposes an amendment to the Florida Constitution to authorize the Legislature to provide, through general law, for all levies other than school district levies, an additional homestead exemption on the value greater than \$100,000 and up to \$150,000 for a classroom teacher, law enforcement officer, correctional officer, firefighter, child welfare services professional, active duty member of the United States Armed Forces, or a member of the Florida National Guard. Property maintained as a homestead by the owner for a person legally or naturally dependent upon the owner is eligible for the exemption.

The Revenue Estimating Conference (REC) has not analyzed the committee substitute; however, staff does not expect the committee substitute to change the estimate provided for the prior version of the joint resolution. The REC determined that the prior version of the joint resolution does not have a fiscal impact. However, if the joint resolution is approved, and linked SB 1748 becomes law, the bill will reduce local property tax revenue for all levies other than school district levies by \$83.8 million beginning in Fiscal Year 2023-2024.

If adopted by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2022.

If approved by at least 60 percent of the electors, the proposed amendment will take effect on January 1, 2023.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.¹ The property appraiser annually determines the assessed or “just value”² of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes⁴ and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes; land used for conservation purposes; historic properties when authorized by the county or municipality; and certain working waterfront property.⁷

Property Tax Exemptions for Homestead Property

Homestead Exemption

Every person having legal or equitable title to real estate and who maintains thereon his or her permanent residence or the permanent residence of a dependent (homestead property) is eligible for a homestead tax exemption of up to \$25,000. The exemption applies to all ad valorem taxes levied, including levies by school districts.⁸ An additional homestead exemption of up to \$25,000 applies to the property’s value between \$50,000 and \$75,000.⁹ Unlike the first \$25,000, the additional \$25,000 exemption does not apply to ad valorem taxes levied by school districts.

¹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

³ *See* s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ *See* FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4.

⁸ FLA. CONST. art VII, s. 6(a) and s. 196.031, F.S.

⁹ Section 196.031(1)(b), F.S.

Additional Homestead Exemptions for Certain Persons

The Florida Constitution authorizes the Legislature to provide additional property tax exemptions for the following persons who maintain property as a homestead:

- Counties and municipalities may grant exemptions to persons aged 65 years or over whose household income does not exceed \$20,000 (low-income seniors).¹⁰
- A veteran or first responder¹¹ with a total and permanent service-connected disability is entitled to a complete exemption for the property.¹²
- A veteran with a total service-connected disability that confines him or her to a wheelchair is entitled to a complete exemption for the property. Upon the veteran's death, the exemption carries over to the veteran's unremarried surviving spouse.¹³
- A veteran disabled to a degree of 10 percent or more by misfortune or during wartime service is entitled to an exemption for any property up to \$5,000. Upon the death of the veteran, the exemption carries over to the veteran's unremarried surviving spouse.¹⁴
- The unremarried surviving spouse of a veteran or first responder who died while on active duty is entitled to a complete exemption for the property if the veteran was a permanent resident of Florida on the day he or she died.¹⁵

Tax Discount on Homestead Property for a Combat-disabled Veteran

In addition to the property tax exemptions described above, certain combat-disabled veterans are entitled to a discount on their homestead property taxes.¹⁶ The discount is calculated as a percentage equal to the percentage of the veteran's permanent, service-connected disability.¹⁷ The discount is applied as a reduction to the taxable value of the homestead property.¹⁸

III. Effect of Proposed Changes:

The joint resolution proposes an amendment to the Florida Constitution to authorize the Legislature to provide, through general law, for all levies other than school district levies, an additional homestead exemption on the value greater than \$100,000 and up to \$150,000. Persons eligible for the exemption include classroom teachers, law enforcement officers, correctional officers, firefighters, child welfare services professionals, active duty members of the United States Armed Forces, members of the Florida National Guard, or a person legally or naturally dependent upon the owner.

¹⁰ FLA. CONST. Art. VII, s. 6(d)(1) and (2). The income level is adjusted each year according to changes in the consumer price index. For 2022, persons will qualify if the household income does not surpass \$32,561. Florida Department of Revenue, *Florida Property Tax Valuation and Income Limitation Rates*, available at: <https://floridarevenue.com/property/Documents/AdditionalHomesteadExemptions.pdf> (last visited Feb. 5, 2022).

¹¹ "First responder" in this context means a law enforcement officer or correctional officer as defined in s. 943.10, F.S., a firefighter as defined in s. 633.102, F.S., or an emergency medical technician or paramedic as defined in s. 401.23, F.S., who is a full-time paid employee, part-time paid employee, or unpaid volunteer. Section 196.081(6)(c)1., F.S.

¹² Sections 196.081 and 196.102, F.S.

¹³ Section 196.091(1) and (3), F.S.

¹⁴ Section 196.24, F.S.

¹⁵ Section 196.081(4) and (6) F.S.

¹⁶ Section 196.082, F.S.

¹⁷ Section 196.082(2), F.S.

¹⁸ Section 196.082(5), F.S.

If adopted by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2022.

If approved by at least 60 percent of the electors, the proposed amendment will take effect January 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate provisions in Article VII, section 18 of the Florida Constitution, do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Article XI, s. 1 of the Florida Constitution authorizes the Legislature to propose amendments to the Florida Constitution by joint resolution approved by a three-fifths vote of the membership of each house. Article XI, s. 5(a) of the Florida Constitution requires the amendment be placed before the electorate at the next general election¹⁹ held more than 90 days after the proposal has been filed with the Secretary of State or at a special election held for that purpose. Constitutional amendments submitted to the electors must be printed in clear and unambiguous language on the ballot.²⁰

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the 10th week and again in the 6th week immediately preceding the week the election is held.

Article XI, s. 5(e) of the Florida Constitution requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes

¹⁹ Section 97.021(16), F.S., defines "general election" as an election held on the first Tuesday after the first Monday in November in the even-numbered years, for the purpose of filling national, state, county, and district offices and for voting on constitutional amendments not otherwise provided for by law.

²⁰ Section 101.161(1), F.S.

effective on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference (REC) has not analyzed the committee substitute; however, staff does not expect the committee substitute to change the estimate provided for the prior version of the joint resolution. The REC determined that the prior version of the joint resolution does not have a fiscal impact. However, if the joint resolution is approved, and linked SB 1748 becomes law, the bill will reduce local property tax revenue for all levies other than school district levies by \$83.8 million beginning in Fiscal Year 2023-2024.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Article XI, Section 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published in the 10th week and again in the 6th week immediately preceding the week the election is held.

The Division of Elections (division) within the Department of State pays for publication costs to advertise all constitutional amendments in both English and Spanish,²¹ typically paid from non-recurring General Revenue funds.²² Accurate cost estimates for the next constitutional amendment advertising cannot be determined until the total number of amendments to be advertised is known and updated quotes are obtained from newspapers.

There is an unknown additional cost for the printing and distributing of the constitutional amendments, in poster or booklet form, in English and Spanish, for each of the 67 Supervisors of Elections to post or make available at each polling room or each voting site, as required by s. 101.171, F.S. Historically, the division has printed and distributed booklets that include the ballot title, ballot summary, text of the constitutional amendment, and, if applicable, the financial impact statement. Beginning in 2020, the summary of such financial information statements was also included as part of the booklets.²³

²¹ Pursuant to *Section 203 of the Voting Rights Act (52 U.S.C.A. § 10503)*.

²² *See Ch. 2020-111, Specific Appropriation 3132, Laws of Fla.*

²³ *Section 100.371(13)(e)4., F.S. See also Chapter 2019-64, s. 3, Laws of Fla.*

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This resolution substantially amends section 4, Article VII of the Florida Constitution.

This resolution also creates a new section in Article XII of the Florida Constitution.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax on February 10, 2022:

The CS limits the exemption to all levies other than school district levies and allows the exemption to apply to property maintained as a permanent residence for a person legally or naturally dependent upon the owner.

- B. **Amendments:**

None.



760666

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Brodeur) recommended the following:

Senate Amendment (with ballot and title amendments)

Delete lines 141 - 155
and insert:
limitations specified therein, for all levies other than school district levies, the Legislature may provide an additional homestead exemption on the assessed valuation of greater than one hundred thousand dollars and up to one hundred fifty thousand dollars to a classroom teacher, a law enforcement officer, a correctional officer, a firefighter, a child welfare



760666

11 services professional, an active duty member of the United
12 States Armed Forces, or a member of the Florida National Guard
13 who has the legal or equitable title to real estate and
14 maintains thereon the permanent residence of the owner, or
15 another legally or naturally dependent upon the owner.

16 ARTICLE XII

17 SCHEDULE

18 Additional homestead property tax exemption for specified
19 critical public services workforce.—This section and the
20 amendment to Section 6 of Article VII, authorizing the
21 legislature, for all levies other than school district levies,
22 to grant an additional homestead property tax

23
24 ===== B A L L O T S T A T E M E N T A M E N D M E N T =====

25 And the ballot statement is amended as follows:

26 Delete line 170

27 and insert:

28 law, to grant an additional homestead tax exemption for non-
29 school taxes of up to

30

31 ===== T I T L E A M E N D M E N T =====

32 And the title is amended as follows:

33 Delete line 5

34 and insert:

35 Legislature, by general law, for all levies other than
36 school district levies, to grant an additional

By Senator Brodeur

9-01879-22

20221746__

Senate Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VII and the creation of a new section in Article XII of the State Constitution to authorize the legislature, by general law, to grant an additional homestead property tax exemption on \$50,000 of the assessed value of homestead property owned by classroom teachers, law enforcement officers, correctional officers, firefighters, child welfare services professionals, active duty members of the United States Armed Forces, and members of the Florida National Guard.

Be It Resolved by the Legislature of the State of Florida:

That the following amendment to Section 6 of Article VII and the creation of a new section in Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 6. Homestead exemptions.-

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for special benefits, up to the assessed valuation of twenty-five

Page 1 of 7

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9-01879-22

20221746__

thousand dollars and, for all levies other than school district levies, on the assessed valuation greater than fifty thousand dollars and up to seventy-five thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entirety, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which the interest in the corporation bears to the assessed value of the property.

(c) By general law and subject to conditions specified therein, the Legislature may provide to renters, who are permanent residents, ad valorem tax relief on all ad valorem tax levies. Such ad valorem tax relief shall be in the form and amount established by general law.

(d) The legislature may, by general law, allow counties or municipalities, for the purpose of their respective tax levies

Page 2 of 7

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9-01879-22 20221746__

59 and subject to the provisions of general law, to grant either or
60 both of the following additional homestead tax exemptions:

61 (1) An exemption not exceeding fifty thousand dollars to a
62 person who has the legal or equitable title to real estate and
63 maintains thereon the permanent residence of the owner, who has
64 attained age sixty-five, and whose household income, as defined
65 by general law, does not exceed twenty thousand dollars; or

66 (2) An exemption equal to the assessed value of the
67 property to a person who has the legal or equitable title to
68 real estate with a just value less than two hundred and fifty
69 thousand dollars, as determined in the first tax year that the
70 owner applies and is eligible for the exemption, and who has
71 maintained thereon the permanent residence of the owner for not
72 less than twenty-five years, who has attained age sixty-five,
73 and whose household income does not exceed the income limitation
74 prescribed in paragraph (1).

75
76 The general law must allow counties and municipalities to grant
77 these additional exemptions, within the limits prescribed in
78 this subsection, by ordinance adopted in the manner prescribed
79 by general law, and must provide for the periodic adjustment of
80 the income limitation prescribed in this subsection for changes
81 in the cost of living.

82 (e) (1) Each veteran who is age 65 or older who is partially
83 or totally permanently disabled shall receive a discount from
84 the amount of the ad valorem tax otherwise owed on homestead
85 property the veteran owns and resides in if the disability was
86 combat related and the veteran was honorably discharged upon
87 separation from military service. The discount shall be in a

Page 3 of 7

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9-01879-22 20221746__

88 percentage equal to the percentage of the veteran's permanent,
89 service-connected disability as determined by the United States
90 Department of Veterans Affairs. To qualify for the discount
91 granted by this paragraph, an applicant must submit to the
92 county property appraiser, by March 1, an official letter from
93 the United States Department of Veterans Affairs stating the
94 percentage of the veteran's service-connected disability and
95 such evidence that reasonably identifies the disability as
96 combat related and a copy of the veteran's honorable discharge.
97 If the property appraiser denies the request for a discount, the
98 appraiser must notify the applicant in writing of the reasons
99 for the denial, and the veteran may reapply. The Legislature
100 may, by general law, waive the annual application requirement in
101 subsequent years.

102 (2) If a veteran who receives the discount described in
103 paragraph (1) predeceases his or her spouse, and if, upon the
104 death of the veteran, the surviving spouse holds the legal or
105 beneficial title to the homestead property and permanently
106 resides thereon, the discount carries over to the surviving
107 spouse until he or she remarries or sells or otherwise disposes
108 of the homestead property. If the surviving spouse sells or
109 otherwise disposes of the property, a discount not to exceed the
110 dollar amount granted from the most recent ad valorem tax roll
111 may be transferred to the surviving spouse's new homestead
112 property, if used as his or her permanent residence and he or
113 she has not remarried.

114 (3) This subsection is self-executing and does not require
115 implementing legislation.

116 (f) By general law and subject to conditions and

Page 4 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

9-01879-22 20221746__

117 limitations specified therein, the Legislature may provide ad
 118 valorem tax relief equal to the total amount or a portion of the
 119 ad valorem tax otherwise owed on homestead property to:
 120 (1) The surviving spouse of a veteran who died from
 121 service-connected causes while on active duty as a member of the
 122 United States Armed Forces.
 123 (2) The surviving spouse of a first responder who died in
 124 the line of duty.
 125 (3) A first responder who is totally and permanently
 126 disabled as a result of an injury or injuries sustained in the
 127 line of duty. Causal connection between a disability and service
 128 in the line of duty shall not be presumed but must be determined
 129 as provided by general law. For purposes of this paragraph, the
 130 term "disability" does not include a chronic condition or
 131 chronic disease, unless the injury sustained in the line of duty
 132 was the sole cause of the chronic condition or chronic disease.
 133
 134 As used in this subsection and as further defined by general
 135 law, the term "first responder" means a law enforcement officer,
 136 a correctional officer, a firefighter, an emergency medical
 137 technician, or a paramedic, and the term "in the line of duty"
 138 means arising out of and in the actual performance of duty
 139 required by employment as a first responder.
 140 (g) By general law and subject to conditions and
 141 limitations specified therein, the Legislature may provide an
 142 additional homestead exemption on the assessed valuation of
 143 greater than one hundred thousand dollars and up to one hundred
 144 fifty thousand dollars to a classroom teacher, a law enforcement
 145 officer, a correctional officer, a firefighter, a child welfare

Page 5 of 7

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9-01879-22 20221746__

146 services professional, an active duty member of the United
 147 States Armed Forces, or a member of the Florida National Guard
 148 who has the legal or equitable title to real estate and
 149 maintains thereon the permanent residence of the owner.
 150 ARTICLE XII
 151 SCHEDULE
 152 Additional homestead property tax exemption for specified
 153 critical public services workforce.—This section and the
 154 amendment to Section 6 of Article VII, authorizing the
 155 legislature to grant an additional homestead property tax
 156 exemption on \$50,000 of the assessed value of homestead property
 157 owned by classroom teachers, law enforcement officers,
 158 correctional officers, firefighters, child welfare services
 159 professionals, active duty members of the United States Armed
 160 Forces, and members of the Florida National Guard, shall take
 161 effect January 1, 2023.
 162 BE IT FURTHER RESOLVED that the following statement be
 163 placed on the ballot:
 164 CONSTITUTIONAL AMENDMENT
 165 ARTICLE VII, SECTION 6
 166 ARTICLE XII
 167 ADDITIONAL HOMESTEAD PROPERTY TAX EXEMPTION FOR SPECIFIED
 168 CRITICAL PUBLIC SERVICES WORKFORCE.—Proposing an amendment to
 169 the State Constitution to authorize the Legislature, by general
 170 law, to grant an additional homestead tax exemption of up to
 171 \$50,000 of the assessed value of homestead property owned by
 172 classroom teachers, law enforcement officers, correctional
 173 officers, firefighters, child welfare services professionals,
 174 active duty members of the United States Armed Forces, and

Page 6 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

9-01879-22

20221746__

175 members of the Florida National Guard. This amendment shall take
176 effect January 1, 2023.



The Florida Senate

Committee Agenda Request

To: Senator Ana Maria Rodriguez, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: January 26, 2022

I respectfully request that **Senate Bill 1746 and Senate Bill 1748**, relating to **Homestead Property Tax Exemption**, and **Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, And Servicemembers**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink that reads "Jason Brodeur".

Senator Jason Brodeur
Florida Senate, District 9

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

1746'

Bill Number or Topic

Meeting Date

F+T

Committee

Amendment Barcode (if applicable)

Name

Lisa Henning

Phone

850-766-8808

Address

242 Office Plaza Dr

Email

foplegislative@aol.com

Street

Tallahassee

FL

32301

City

State

Zip

Speaking:

 For Against Information

OR

Waive Speaking:

 In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without
compensation or sponsorship.

I am a registered lobbyist,
representing:

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

Fraternal Order of Police

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf](#) [flsenate.gov](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

2/10/2022

APPEARANCE RECORD

SB 1746

Meeting Date

S Finance and Tax

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

N/A

Committee

Amendment Barcode (if applicable)

Name **Bob McKee**

Phone **8507661952**

Address **100 S Monroe St**

Email **bmckee@flcounties.com**

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Association of Counties

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf flsenate.gov](https://www.flsenate.gov)

This form is part of the public record for this meeting.

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

2/10/22

Meeting Date

1744

Bill Number or Topic

FINANCE & TAX

Committee

Amendment Barcode (if applicable)

Name

Steven B. SLADE

Phone

850.327.5760

Address

300 E. Broadway St

Email

Street

TALLAHASSEE, FL 32311

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

FL PBA

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

2/10

The Florida Senate APPEARANCE RECORD

1746

Meeting Date

Finance & Tax

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name Austin Stowers

Phone 850 413 5939

Address 200 E Gaines

Email austin.stowers@myfloridacfo.com

Street

Tallahassee

FL

32399

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

CFO & State Fire Marshal Jimmy Patronis

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf](#) [flsenate.gov](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 1748

INTRODUCER: Finance and Tax Committee and Senator Brodeur

SUBJECT: Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, and Servicemembers

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<u>Favorable</u>
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	<u>Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1748 is linked to CS/SJR 1746, which proposes an amendment to the Florida Constitution to authorize the Legislature to provide a new homestead tax exemption for classroom teachers, law enforcement officers, firefighters, child welfare professionals, and active duty members of the United States Armed Forces, or members of the Florida National Guard.

The bill provides that any of the defined people who hold legal or beneficial title in equity to real property in this state and makes such property their or their dependent's permanent residence is entitled to an exemption of up to \$50,000 on the property's value between \$100,000 and \$150,000, for all levies other than school district levies.

The bill directs the Legislature to appropriate money to fiscally constrained counties to offset reductions in ad valorem tax revenue resulting from the homestead exemption. Distributions to fiscally constrained counties will be made beginning in Fiscal Year 2023-2024.

The Revenue Estimating Conference (REC) has not analyzed the committee substitute; however, staff does not expect the committee substitute to change the estimate provided for the prior version of the bill. The REC determined that a fiscal impact of the prior version of the bill is contingent upon voter approval of the joint resolution. However, if the joint resolution is approved, the bill will reduce local property tax revenue for all levies other than school district levies by \$83.8 million beginning in Fiscal Year 2023-2024.

The bill will take effect on the effective date of the amendment proposed by CS/SJR 1746 or a similar joint resolution having substantially the same specific intent and purpose. If approved by the electors in the next general election in November 2022, the proposed amendment (CS/SJR 1746) and CS/SB 1748 will take effect on January 1, 2023.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.¹ The property appraiser annually determines the assessed or “just value”² of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes⁴ and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes; land used for conservation purposes; historic properties when authorized by the county or municipality; and certain working waterfront property.⁷

Persons eligible for a property tax exemption must file an application with the property appraiser on or before March 1 of each year in which the exemption is claimed, unless such requirement has been waived by a county.⁸

¹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art. VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

³ *See* s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ *See* FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4.

⁸ Section 196.011, F.S.

Property Tax Exemptions for Homestead Property

Homestead Exemption

Every person having legal or equitable title to real estate and who maintains thereon his or her permanent residence or the permanent residence of a dependent (homestead property) is eligible for a homestead tax exemption of up to \$25,000. The exemption applies to all ad valorem taxes levied, including levies by school districts.⁹ An additional homestead exemption of up to \$25,000 applies to the property's value between \$50,000 and \$75,000.¹⁰ Unlike the first \$25,000, the additional \$25,000 exemption does not apply to ad valorem taxes levied by school districts.

Additional Homestead Exemptions for Certain Persons

The Florida Constitution authorizes the Legislature to provide additional property tax exemptions for the following persons who maintain property as a homestead:

- Counties and municipalities may grant exemptions to persons aged 65 years or over whose household income does not exceed \$20,000 (low-income seniors).¹¹
- A veteran or first responder¹² with a total and permanent service-connected disability is entitled to a complete exemption for the property.¹³
- A veteran with a total service-connected disability that confines him or her to a wheelchair is entitled to a complete exemption for the property. Upon the veteran's death, the exemption carries over to the veteran's unremarried surviving spouse.¹⁴
- A veteran disabled to a degree of 10 percent or more by misfortune or during wartime service is entitled to an exemption for any property up to \$5,000. Upon the death of the veteran, the exemption carries over to the veteran's unremarried surviving spouse.¹⁵
- The unremarried surviving spouse of a veteran or first responder who died while on active duty is entitled to a complete exemption for the property if the veteran was a permanent resident of Florida on the day he or she died.¹⁶

Tax Discount on Homestead Property for a Combat-disabled Veteran

In addition to the property tax exemptions described above, certain combat-disabled veterans are entitled to a discount on their homestead property taxes.¹⁷ The discount is calculated as a

⁹ FLA. CONST. art VII, s. 6(a) and s. 196.031, F.S.

¹⁰ Section 196.031(1)(b), F.S.

¹¹ FLA. CONST. Art. VII, s. 6(d)(1) and (2). The income level is adjusted each year according to changes in the consumer price index. For 2022, persons will qualify if the household income does not surpass \$32,561. Florida Department of Revenue, *Florida Property Tax Valuation and Income Limitation Rates*, available at: <https://floridarevenue.com/property/Documents/AdditionalHomesteadExemptions.pdf> (last visited Feb. 5, 2022).

¹² "First responder" in this context means a law enforcement officer or correctional officer as defined in s. 943.10, F.S., a firefighter as defined in s. 633.102, F.S., or an emergency medical technician or paramedic as defined in s. 401.23, F.S., who is a full-time paid employee, part-time paid employee, or unpaid volunteer. Section 196.081(6)(c)1., F.S.

¹³ Sections 196.081 and 196.102, F.S.

¹⁴ Section 196.091(1) and (3), F.S.

¹⁵ Section 196.24, F.S.

¹⁶ Section 196.081(4) and (6), F.S.

¹⁷ Section 196.082, F.S.

percentage equal to the percentage of the veteran's permanent, service-connected disability.¹⁸ The discount is applied as a reduction to the taxable value of the homestead property.¹⁹

Fiscally Constrained Counties

Fiscally constrained counties are counties entirely within a Rural Area of Opportunity or where a 1 mill levy would raise no more than \$5 million in annual tax revenue.²⁰ A Rural Area of Opportunity is a rural community or region that has been adversely affected by extraordinary economic events, severe distresses, natural disasters or that presents unique economic development opportunities of regional impact, as designated by the Governor.²¹

Florida's fiscally constrained counties are: Baker, Bradford, Calhoun, Columbia, Desoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, Wakulla, and Washington.²²

The Legislature annually appropriates money to fiscally constrained counties to offset ad valorem tax revenue reductions caused by various amendments to the Florida Constitution.²³ In order to receive an offset distribution, fiscally constrained counties must annually provide the Department of Revenue with an estimate of the expected reduction in ad valorem tax revenues that are directly attributable to specified revisions of Article VII of the Florida Constitution.²⁴ This prevents such amendments related to property tax from negatively affecting fiscally constrained county tax revenues.

III. Effect of Proposed Changes:

The bill creates an additional homestead exemption for classroom teachers, law enforcement officers, firefighters, child welfare professionals, active duty members of the United States Armed Forces, or members of the Florida National Guard to exempt up to \$50,000 of the assessed value of the property greater than \$100,000.

In order to receive the exemption, the qualifying person must be employed on January 1 in a full-time position in one of the above-described qualifying professions.

The bill provides the following definitions:

- "Child welfare professional" means a state employee engaged in child welfare services as defined in s. 402.40(2), F.S., who holds a child welfare certification as defined in s. 402.40(2), F.S.;

¹⁸ Section 196.082(2), F.S.

¹⁹ Section 196.082(5), F.S.

²⁰ Section 218.67(1), F.S.

²¹ See Section 288.0656, F.S.

²² Florida Department of Revenue, *List of Fiscally Constrained Counties*, available at: <http://floridarevenue.com/property/Documents/fcco081210.pdf> (last visited Feb. 10, 2022)

²³ See s. 218.125, F.S.

²⁴ Section 218.125(2), F.S.

- “Classroom teacher” means a staff member assigned the professional activity of instructing K-12 students in courses and classroom situations, including basic instruction, exceptional student education, and career education;
- “Firefighter” means an individual who holds a current and valid Firefighter Certificate of Compliance or Special Certificate of Compliance issued by the division under s. 633.408, F.S.;
- “Law enforcement officer” means a law enforcement officer²⁵ or correctional officer²⁶ as defined by s. 943.10, F.S.; and
- “Servicemember” means a person serving as an active duty member of the United States Armed Forces or as a member of the Florida National Guard.

The bill prohibits a county from waiving the requirement that an annual application be made.

A person identified as receiving but not entitled to the exemption for any year in the prior 10 years is subject to repayment of the taxes exempted, plus a penalty of the unpaid taxes of 50 percent and 15 percent interest. Persons who knowingly and willfully give false information for the purpose of claiming the exemption are guilty of a first degree misdemeanor, punishable as provided by law or by fine not to exceed \$5,000.

The bill directs the Legislature to appropriate money, beginning in Fiscal Year 2023-2024, to fiscally constrained counties to offset any reductions in ad valorem tax revenue resulting from the homestead exemption provided by the proposed constitutional amendment. The amount appropriated to each county is based on the county’s proportion of the total reduction and is calculated as 95 percent of the estimated reduction in taxable value multiplied by the lesser of the 2023 millage rate or the millage rate for each taxing jurisdiction in the current year.

The bill authorizes the Department of Revenue to adopt emergency rules to administer the bill.

The bill will take effect on the effective date of the constitutional amendment proposed by CS/SJR 1746 and first applies to the 2023 tax roll.

²⁵ Section 943.10(1), F.S.: “Law enforcement officer” means any person who is elected, appointed, or employed full time by any municipality or the state or any political subdivision thereof; who is vested with authority to bear arms and make arrests; and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers but does not include support personnel employed by the employing agency.

²⁶ Section 943.10(2), F.S.: “Correctional officer” means any person who is appointed or employed full time by the state or any political subdivision thereof, or by any private entity which has contracted with the state or county, and whose primary responsibility is the supervision, protection, care, custody, and control, or investigation, of inmates within a correctional institution; however, the term “correctional officer” does not include any secretarial, clerical, or professionally trained personnel.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that, except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{27, 28} which is \$2.3 million for Fiscal Year 2022-2023.²⁹

The Revenue Estimating Conference determined that the reduction to local property tax revenue will be \$83.8 million beginning in Fiscal Year 2023-2024 if the joint resolution is approved by the voters. Therefore, the mandates provisions of Art. VII, s. 18 of the Florida Constitution may apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

The bill does not create or raise a state tax or fee. Therefore, the requirements of Art. VII, s. 19 of the Florida Constitution do not apply.

E. Other Constitutional Issues:

The homestead exemption provided by the bill extends to a qualified person's dependents; however, the joint resolution does not contemplate dependents receiving the benefit. Additionally, this bill specifies the exemption applies to all levies "other than school district levies," which is not contemplated by the joint resolution.

²⁷ FLA. CONST. art. VII, s. 18(d).

²⁸ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, Interim Report 2012-115: Insignificant Impact, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb. 3, 2022).

²⁹ Based on the Demographic Estimating Conference's estimated population adopted on March 3, 2021. The conference packet is available at: <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Feb. 6, 2022).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference (REC) has not analyzed the committee substitute; however, staff does not expect the committee substitute to change the estimate provided for the bill as filed. The REC determined that a fiscal impact of the prior version of the bill is contingent upon voter approval of the joint resolution. However, if the resolution is approved, the bill will reduce local property tax revenue for all levies other than school district levies by \$83.8 million beginning in Fiscal Year 2023-2024.

B. Private Sector Impact:

If the proposed amendment (CS/SJR 1746) is approved by 60 percent of voters in November 2022, qualifying homeowners will be entitled to reduced property taxation.

C. Government Sector Impact:

The bill requires the Legislature to appropriate money to fiscally constrained counties beginning in Fiscal Year 2023-2024. If the bill takes effect staff estimates the amount required to be appropriated is approximately \$4.6 million.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill substantially amends the following sections of the Florida Statutes: 196.011 and 218.125.

The bill creates section 196.077 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax on February 10, 2022:

The CS:

- Requires an appropriation to fiscally constrained counties, beginning in FY 2023-2024, to offset the reductions in ad valorem tax revenue resulting from the new homestead exemption.
- Requires the distribution to occur in January of each fiscal year to each fiscally constrained county based on each county's proportion of the total reduction.

- Calculates the reduction as 95 percent of the estimated reduction in taxable value multiplied by the lesser of the 2023 millage rate or the millage rate for each taxing jurisdiction in the current year.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



247456

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Brodeur) recommended the following:

Senate Amendment (with title amendment)

Between lines 137 and 138

insert:

Section 3. Section 218.125, Florida Statutes, is amended to read:

218.125 Offset for tax loss associated with certain constitutional amendments affecting fiscally constrained counties.—

(1) (a) Beginning in the 2010-2011 fiscal year, the



247456

11 Legislature shall appropriate moneys to offset the reductions in
12 ad valorem tax revenue experienced by fiscally constrained
13 counties, as defined in s. 218.67(1), which occur as a direct
14 result of the implementation of revisions of ss. 3(f) and 4(b)
15 of Art. VII of the State Constitution which were approved in the
16 general election held in November 2008. The moneys appropriated
17 for this purpose shall be distributed in January of each fiscal
18 year among the fiscally constrained counties based on each
19 county's proportion of the total reduction in ad valorem tax
20 revenue resulting from the implementation of the revisions.

21 (b) Beginning in the 2023-2024 fiscal year, the Legislature
22 shall appropriate moneys to offset the reductions in ad valorem
23 tax revenue experienced by fiscally constrained counties, as
24 described in s. 218.67(1), which occur as a direct result of
25 implementation of the addition of s. 6(g) of Art. VII of the
26 State Constitution which was approved in the general election
27 held in November 2022. The moneys appropriated for this purpose
28 shall be distributed in January of each fiscal year among the
29 fiscally constrained counties based on each county's proportion
30 of the total reduction in ad valorem tax revenue resulting from
31 the implementation of s. 6(g) of Art. VII of the State
32 Constitution.

33 (2) On or before November 15 of each year, each fiscally
34 constrained county shall apply to the Department of Revenue to
35 participate in the distribution of the appropriation and provide
36 documentation supporting the county's estimated reduction in ad
37 valorem tax revenue in the form and manner prescribed by the
38 Department of Revenue. The documentation must include an
39 estimate of the reduction in taxable value directly attributable



40 to revisions of Art. VII of the State Constitution for all
41 county taxing jurisdictions within the county and shall be
42 prepared by the property appraiser in each fiscally constrained
43 county. The documentation must also include the county millage
44 rates applicable in all such jurisdictions for the current year
45 and the prior year, rolled-back rates determined as provided in
46 s. 200.065 for each county taxing jurisdiction, and maximum
47 millage rates that could have been levied by majority vote
48 pursuant to s. 200.065(5).

49 (a) For purposes of paragraph (1)(a) ~~this section~~, each
50 fiscally constrained county's reduction in ad valorem tax
51 revenue shall be calculated as 95 percent of the estimated
52 reduction in taxable value multiplied by the lesser of the 2010
53 applicable millage rate or the applicable millage rate for each
54 county taxing jurisdiction in the current year. If a fiscally
55 constrained county fails to apply for the distribution, its
56 share shall revert to the fund from which the appropriation was
57 made.

58 (b) For purposes of paragraph (1)(b), each fiscally
59 constrained county's reduction in ad valorem tax revenue shall
60 be calculated as 95 percent of the estimated reduction in
61 taxable value multiplied by the lesser of the 2023 applicable
62 millage rate or the applicable millage rate for each county
63 taxing jurisdiction in the current year. If a fiscally
64 constrained county fails to apply for the distribution, its
65 share shall revert to the fund from which the appropriation was
66 made.

67
68 ===== T I T L E A M E N D M E N T =====



247456

69 And the title is amended as follows:

70 Between lines 20 and 21

71 insert:

72 amending s. 218.125, F.S.; requiring the Legislature
73 to appropriate moneys to offset reductions in ad
74 valorem tax revenues experienced by fiscally
75 constrained counties due to adoption of the
76 constitutional amendment providing the additional
77 homestead property tax exemption; specifying
78 procedures for distributing such moneys; specifying
79 procedures for applying for and receiving such moneys;
80 specifying necessary documentation; specifying the
81 method for calculating each fiscally constrained
82 county's reduction in ad valorem tax revenue;
83 specifying a mechanism for the reversion of funds
84 under specified circumstances;

By Senator Brodeur

9-01880-22

20221748__

1 A bill to be entitled
 2 An act relating to homestead property tax exemptions
 3 for classroom teachers, law enforcement officers,
 4 firefighters, child welfare professionals, and
 5 servicemembers; amending s. 196.011, F.S.; specifying
 6 the information that must be supplied annually to the
 7 property appraiser by classroom teachers, law
 8 enforcement officers, firefighters, child welfare
 9 professionals, and servicemembers who qualify for a
 10 specified exemption; creating s. 196.077, F.S.;
 11 providing definitions; providing conditions under
 12 which a classroom teacher, a law enforcement officer,
 13 a firefighter, a child welfare professional, or a
 14 servicemember may receive an additional homestead
 15 property tax exemption; specifying the amount of the
 16 homestead property tax exemption; providing
 17 requirements for applying for and receiving an
 18 exemption; specifying actions a property appraiser may
 19 take if a taxpayer improperly claims an exemption;
 20 providing penalties under certain conditions;
 21 authorizing the Department of Revenue to adopt
 22 emergency rules; providing applicability; providing a
 23 contingent effective date.
 24
 25 Be It Enacted by the Legislature of the State of Florida:
 26
 27 Section 1. Paragraph (b) of subsection (1) and paragraph
 28 (a) of subsection (9) of section 196.011, Florida Statutes, are
 29 amended to read:

Page 1 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

9-01880-22

20221748__

30 196.011 Annual application required for exemption.-
 31 (1)
 32 (b) The form to apply for an exemption under s. 196.031, s.
 33 196.077, s. 196.081, s. 196.091, s. 196.101, s. 196.102, s.
 34 196.173, or s. 196.202 must include a space for the applicant to
 35 list the social security number of the applicant and of the
 36 applicant's spouse, if any. If an applicant files a timely and
 37 otherwise complete application, and omits the required social
 38 security numbers, the application is incomplete. In that event,
 39 the property appraiser shall contact the applicant, who may
 40 refile a complete application by April 1. Failure to file a
 41 complete application by that date constitutes a waiver of the
 42 exemption privilege for that year, except as provided in
 43 subsection (7) or subsection (8).
 44 (9) (a) A county may, at the request of the property
 45 appraiser and by a majority vote of its governing body, waive
 46 the requirement that an annual application or statement be made
 47 for exemption of property within the county after an initial
 48 application is made and the exemption granted. The waiver under
 49 this subsection of the annual application or statement
 50 requirement applies to all exemptions under this chapter except
 51 the ~~exemptions exemption~~ under ss. 196.077 and 196.1995 ~~or~~
 52 ~~196.1995~~. Notwithstanding such waiver, refiling of an
 53 application or statement shall be required when any property
 54 granted an exemption is sold or otherwise disposed of, when the
 55 ownership changes in any manner, when the applicant for
 56 homestead exemption ceases to use the property as his or her
 57 homestead, or when the status of the owner changes so as to
 58 change the exempt status of the property. In its deliberations

Page 2 of 6

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59 on whether to waive the annual application or statement
60 requirement, the governing body shall consider the possibility
61 of fraudulent exemption claims which may occur due to the waiver
62 of the annual application requirement. The owner of any property
63 granted an exemption who is not required to file an annual
64 application or statement shall notify the property appraiser
65 promptly whenever the use of the property or the status or
66 condition of the owner changes so as to change the exempt status
67 of the property. If any property owner fails to so notify the
68 property appraiser and the property appraiser determines that
69 for any year within the prior 10 years the owner was not
70 entitled to receive such exemption, the owner of the property is
71 subject to the taxes exempted as a result of such failure plus
72 15 percent interest per annum and a penalty of 50 percent of the
73 taxes exempted. Except for homestead exemptions controlled by s.
74 196.161, the property appraiser making such determination shall
75 record in the public records of the county a notice of tax lien
76 against any property owned by that person or entity in the
77 county, and such property must be identified in the notice of
78 tax lien. Such property is subject to the payment of all taxes
79 and penalties. Such lien when filed shall attach to any
80 property, identified in the notice of tax lien, owned by the
81 person who illegally or improperly received the exemption. If
82 such person no longer owns property in that county but owns
83 property in some other county or counties in the state, the
84 property appraiser shall record a notice of tax lien in such
85 other county or counties, identifying the property owned by such
86 person or entity in such county or counties, and it shall become
87 a lien against such property in such county or counties.

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88 Section 2. Section 196.077, Florida Statutes, is created to
89 read:
90 196.077 Additional homestead exemption for classroom
91 teachers, law enforcement officers, firefighters, child welfare
92 professionals, and servicemembers.-
93 (1) As used in this section, the term:
94 (a) "Child welfare professional" means a state employee
95 engaged in child welfare services, as defined in s. 402.40(2),
96 who holds a child welfare certification, as defined in s.
97 402.40(2).
98 (b) "Classroom teacher" means a staff member assigned the
99 professional activity of instructing K-12 students in courses in
100 classroom situations, including basic instruction, exceptional
101 student education, and career education.
102 (c) "Firefighter" has the same meaning as in s. 633.102.
103 (d) "Full-time position" has the same meaning as in s.
104 110.107.
105 (e) "Law enforcement officer" means a law enforcement
106 officer or correctional officer as those terms are defined in s.
107 943.10(1) and (2).
108 (f) "Servicemember" means a person that is serving as an
109 active duty member of the United States Armed Forces or as a
110 member of the Florida National Guard.
111 (2) A person who is employed on January 1 in a full-time
112 position as a classroom teacher, law enforcement officer,
113 firefighter, child welfare professional, or servicemember, has
114 the legal title or beneficial title in equity to real property
115 in this state and who in good faith makes the property his or
116 her permanent residence or the permanent residence of another or

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117 others legally or naturally dependent upon him or her, and who
 118 qualifies to receive the exemptions provided in s. 196.031(1),
 119 is entitled to an additional exemption of up to \$50,000 on the
 120 assessed valuation greater than \$100,000 and up to \$150,000 for
 121 all levies other than school district levies.

122 (3) A classroom teacher, law enforcement officer,
 123 firefighter, child welfare professional, or servicemember who is
 124 qualified to claim the additional homestead tax exemption as
 125 provided in this section must file an annual application for
 126 exemption with the property appraiser on or before March 1 of
 127 the year for which the additional homestead tax exemption is
 128 claimed. The application for the exemption must be made on a
 129 form prescribed by the department and furnished by the property
 130 appraiser. The form must require the classroom teacher, law
 131 enforcement officer, firefighter, child welfare professional, or
 132 servicemember to include or attach proof of employment in a
 133 qualifying full-time position and other information necessary to
 134 verify eligibility for the exemption.

135 (4) Receipt of the additional homestead exemption provided
 136 for in this section shall be subject to the provisions of ss.
 137 196.131 and 196.161, if applicable.

138 Section 3. (1) The Department of Revenue may, and all
 139 conditions are deemed met, to adopt emergency rules pursuant to
 140 s. 120.54(4), Florida Statutes, to administer this act.

141 (2) Notwithstanding any other provision of law, emergency
 142 rules adopted pursuant to this section are effective for 6
 143 months after adoption and may be renewed during the pendency of
 144 procedures to adopt permanent rules.

145 Section 4. The amendments made by this act to s. 196.011,

9-01880-22 20221748__

146 Florida Statutes, and the creation by this act of s. 196.077,
 147 Florida Statutes, first apply to the 2023 tax roll.

148 Section 5. This act shall take effect on the effective date
 149 of the amendment to the State Constitution proposed by SJR ____
 150 or a similar joint resolution having substantially the same
 151 specific intent and purpose, if such amendment to the State
 152 Constitution is approved at the next general election or at an
 153 earlier special election specifically authorized by law for that
 154 purpose.



The Florida Senate

Committee Agenda Request

To: Senator Ana Maria Rodriguez, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: January 26, 2022

I respectfully request that **Senate Bill 1746 and Senate Bill 1748**, relating to **Homestead Property Tax Exemption**, and **Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, And Servicemembers**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink that reads "Jason Brodeur".

Senator Jason Brodeur
Florida Senate, District 9

APPEARANCE RECORD

2-10-22

Meeting Date

F+T

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

1748

Bill Number or Topic

247456

Amendment Barcode (if applicable)

Name

~~Christian~~ Chris Doolin

Phone

850-508-5492

Address

1018 Thomasville Rd. ^{Suite} 102B

Email

cdoolin@doolinandassoc.com

Street

Tallahassee, Fla. 32308

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf flsenate.gov](https://www.flsenate.gov/2020-2022JointRules.pdf)

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The Florida Senate

APPEARANCE RECORD

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2/10

Meeting Date

1748

Bill Number or Topic

Finance & Tax

Committee

Amendment Barcode (if applicable)

Name

Austin Stowers

Phone

austin.stowers@myfloridacfo.ca

Address

PL 11 The Capitol

Email

850 413 5939

Street

Tallahassee

FL

32399

City

State

Zip

Speaking: For Against Information OR Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

CFO & State Fire Marshal
Jimmy Patronis

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf flsenate.gov](#)

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S-001 (08/10/2021)

The Florida Senate

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2/10/22

Meeting Date

1748

Bill Number or Topic

Finance & Tax

Committee

Amendment Barcode (if applicable)

Name

ADAM POTTS

Phone

850 591-5921

Address

113 E College Ave

Street

Email

adam@libertypartnersfl.com

Tallahassee

City

FL

State

32301

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Sheriff's Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf](#) [flsenate.gov](#)

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The Florida Senate

APPEARANCE RECORD

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2/10/22

Meeting Date

1748

Bill Number or Topic

FINANCE & TAX

Committee

Amendment Barcode (if applicable)

Name Steven B. SCADE

Phone 850.322.5760

Address 300 E. BREVARD ST

Email _____

Street

TALLAHASSEE FL 32311

City

State

Zip

Speaking: For Against Information

OR

Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without
compensation or sponsorship.

I am a registered lobbyist,
representing:

FL PBA

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

1748

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Senate professional staff conducting the meeting

Bill Number or Topic

Meeting Date

FPT

Committee

Amendment Barcode (if applicable)

Name

Lisa Henning

Phone

850-766-8808

Address

242 Office Plaza Dr

Email

lphlegislative@policea

Street

Tallahassee FL 32301

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without
compensation or sponsorship.

I am a registered lobbyist,
representing:

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

Fraternal Order of Police

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. 511.045 and Joint Rule 1. [2020-2022 Joint Rules](https://www.flsenate.gov/legistics/2020/2022-joint-rules) at [df/flsenate.gov](https://www.flsenate.gov)

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S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 1382

INTRODUCER: Finance and Tax Committee and Senator Gruters

SUBJECT: Tax Administration

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	Favorable
2.	<u>Covin</u>	<u>Babin</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1382 makes various changes to statutes relating to the Department of Revenue (Department). The bill largely amends details related to the Department's rights and obligations before, during, and after an audit.

Regarding audits, the bill:

- Clarifies activities the Department may engage in during the 60-day waiting period between notifying the taxpayer of its intent to audit and beginning the audit;
- Excludes from evidence during litigation documents withheld during an audit;
- Provides that, in certain situations, the failure of a taxpayer to provide documents creates a presumption that the resulting proposed final agency action by the Department is correct;
- Expands the Department's authority to serve subpoenas in certain situations;
- Revises several situations when the time limit to complete an audit is tolled;
- Allows the Department to immediately suspend a dealer's resale certificate during audits related to the sale of alcoholic beverages;
- Allows the Department to reopen a final assessment for the purpose of adjusting liability under certain circumstances;
- Authorizes the Department to include all taxes, penalties, interest, costs, and fees authorized by law in a garnishment or levy; and
- Provides rulemaking and emergency rulemaking authority.

The bill also makes changes including clarifications, corrections, deletions of obsolete language, and cross-reference corrections.

The Revenue Estimating Conference has not determined the fiscal impact of the bill. Staff estimates that the bill will increase General Revenue Fund receipts by an indeterminate amount in Fiscal Years 2022-2023 through 2026-2027.

The bill takes effect July 1, 2022.

II. Present Situation:

The present situation for each issue is described below in Section III, Effect of Proposed Changes.

III. Effect of Proposed Changes:

Sections 1 & 2 – Exclusion of Records in Litigation

Present Situation: Current law provides that a taxpayer may contest the legality of any assessment or denial of any refund of tax, fee, surcharge, permit, interest, or penalty under the Department of Revenue's (Department) purview by filing an action in circuit court, or alternatively, the taxpayer may file a petition under the applicable provisions of ch. 120, F.S.¹

Taxpayers who do not provide records during an audit as required by law are subject to the Department issuing an estimated assessment. In litigation, some taxpayers will selectively provide records to challenge the estimated assessment even though the estimate was created because of the taxpayer's own willful non-compliance with records laws.²

Proposed Changes: The bill amends ss. 72.011(1)(c) and 120.80, F.S., to provide that a taxpayer may not submit records pertaining to an assessment or refund claim as evidence in any proceeding under s. 72.011, F.S., or any administrative proceeding under s. 120.80, F.S., if those records were available to, or required to be kept by, the taxpayer and were not timely provided to the Department when requested during the audit or protest period and before submission of a petition for hearing pursuant to ch. 120, F.S., or the filing of an action under s. 72.011(1)(a), F.S., unless the taxpayer demonstrates good cause for its failure to provide the records to the Department.

Sections 3 & 9 – Pre-Audit Preparation

Present Situation: The Department is required to provide notification to a taxpayer of an audit at least 60 days before the audit begins.³ This 60-day period gives the taxpayer time to gather and prepare records, meet with their accountant, or secure the assistance of a professional. Some practitioners have argued that the Department can have no contact with the taxpayer during this

¹ Section 72.011(1), F.S.

² Department of Revenue, 2022 Agency Legislative Bill Analysis, SB 1382, available at <http://abar.laspbs.state.fl.us/ABAR/Attachment.aspx?ID=33394> (last accessed Feb. 4, 2022).

³ Sections 202.34 and 212.13, F.S.

60-day period, even to answer questions asked by the taxpayer. It has also been argued that the Department must refrain from reviewing its own records or records voluntarily provided by the taxpayer prior to the end of the 60-day period or preparing internally for the audit.⁴

Proposed Changes: The bill creates ss. 202.34(4)(f), and 212.13(5)(f), F.S., to clarify activities the Department may engage in during the 60-day period. The bill provides that the Department may:

- Confirm receipt of the notification of intent to audit;
- Answer any questions raised by the taxpayer or taxpayer representative;
- Confirm date and location of the audit;
- Confirm the way the taxpayer would like to provide records;
- Discuss the scope of the audit;
- Review records voluntarily provided by the taxpayer;
- Review records already in the Department’s possession; and
- Review publicly available information.

If the taxpayer has not previously waived the 60-day period notice and believes the Department has commenced the audit before the 61st day, the taxpayer must object in writing to the Department before the issuance of an assessment or else the objection is waived. If the objection is not waived and it is determined the audit was commenced before the 61st day after the issuance of the notice of intent to audit, the 1-year tolling period⁵ is considered lifted for the number of days equal to the difference between the date the audit commenced and the 61st day after the date of the Department’s notice of intent to audit.

The bill provides that the Department may adopt rules to administer ss. 202.34 and 212.13, F.S.

Sections 4, 5, 7, 10, 11, 16, and 19 – Estimates, Delivery of Administrative Subpoenas, and Extension of Tolling

Present Situation: The Department has the statutory authority to issue an “administrative subpoena” to compel production of records and documents when taxpayers refuse to provide books and records, despite the legal requirement to do so.⁶ However, this tool is rarely used because a court proceeding on the administrative subpoena will cause the Department to fail other statutory deadlines and may run out the statute of limitations on the audit assessment.

Instead, the Department uses its authority to issue an estimated assessment which results in the use of additional resources for both the taxpayer and the Department in resolving disputed issues.⁷

Proposed Change: The bill amends ss. 202.36(4)(a), 206.14(4), 211.125(3)(b)3., 212.14(7)(a), and 220.735(4), F.S., to provide that the failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena creates a rebuttable

⁴ *Supra* Note 2

⁵ Section 213.345, F.S.

⁶ Section 202.36(4), F.S.

⁷ *Supra* Note 2

presumption that the resulting proposed final agency action by the Department, as to the requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer's position as to the proposed final agency action. The Department may make an assessment from an estimate based upon the best information available if a taxpayer fails to provide documents requested by a subpoena. The Department is required to inform the taxpayer of the reason for the estimate and certain related information. The information is deemed prima facie correct,

For purposes of ss. 202.36 and 212.14, F.S., the presumption and authority to create estimates are not triggered merely because a taxpayer or its representative requests a conference to negotiate the production of a sample of records demanded by a subpoena.

Present Situation: For the purpose of administering and enforcing the provisions of the revenue laws of this state, the Department's Executive Director, or any of his or her assistants designated in writing by the Executive Director, is authorized to serve subpoenas and subpoenas duces tecum issued by the state attorney relating to investigations concerning the taxes enumerated in s. 213.05, F.S.⁸

Proposed Change: Section 11 creates s. 213.051(2), F.S. to provide that in addition to the procedures for service prescribed by ch. 48, F.S., the department may serve subpoenas it issues pursuant to ss. 202.36, 206.14, 211.125, 212.14, and 220.735, F.S., upon any business registered with the Department at the address on file with the Department if it received correspondence from the business from that address within 30 days after issuance of the subpoena or if the address is listed with the Department of State Division of Corporations as a principal or business address. If a business' address is not in this state, service is made upon proof of delivery by certified mail or under the notice provisions of s. 213.0537, F.S.

Present Situation: The statute of limitations for assessment and refund purposes is tolled for a period of 1 year if the Department has issued a notice of intent to conduct an audit or investigation of a taxpayer's account within the applicable period of time provided by s. 95.091(3) or 215.26(2), F.S.⁹

Proposed Changes: Section 16 amends s. 213.345, F.S., to provide that the 1-year period is tolled upon receipt of written objections to the subpoena and for the entire pendency of any action that seeks an order to enforce compliance with or to challenge any subpoena issued by the Department compelling the attendance and testimony of witnesses and the production of books, records, written materials, and electronically recorded information.

The bill further provides that if the Department issues a notice explaining its audit findings under s. 213.34(2)(a), F.S., based on an estimate because the taxpayer has failed or refuses to provide records, the audit will be deemed to have commenced for purposes of s. 213.345, F.S. In the event the Department issues an assessment beyond the tolling period, the assessment will be considered late and the assessment shall be reduced by the amount of those taxes, penalties, and

⁸ Section 213.051, F.S.

⁹ Section 213.345, F.S.

interest for reporting periods outside of the limitations period, as modified by any other tolling or extension provisions.

Section 6 – Pollutants Tax Registration Fees

Present Situation: An entity must pay a \$30 registration fee when requesting a pollutants tax license.¹⁰ However, these registration fees were previously repealed.¹¹

Proposed Change: Section 7 amends s. 206.9931, F.S., to remove obsolete language related to pollutants tax registration fees.

Section 8 – Affidavit for Non-Resident Purchasers of Boats and Aircrafts

Current Situation: Nonresident purchasers of boats and aircraft are required to sign an affidavit attesting that they have read the provisions of s. 212.05, F.S., in its entirety, in order to claim an exemption from sales tax. Section 212.05, F.S., is lengthy and includes many provisions that are not applicable to the purchaser of a boat or aircraft.

Proposed Changes: Section 8 amends s. 212.05(1)(a)2.d., F.S., by removing the requirement that a purchaser attests to having read statutory provisions and replacing that language with the requirement that the nonresident purchaser complete an affidavit that affirms that the nonresident purchaser qualifies for exemption from sales tax pursuant to s. 212.05(1)(a)2., F.S., and attesting that the nonresident purchaser will provide the documentation required to substantiate the exemption claimed under s. 212.05(1)(a)2., F.S.

Section 9 – Records related to Alcohol and Tobacco Dealers

Present Situation: Dealers must maintain records as required by the Department for the reasonable administration of ch. 212, F.S.¹² During sales tax audits by the Department, some dealers selling alcoholic beverages and tobacco advise Department auditors that they have no records as to purchases, sales, or tax collected for these regulated products. Florida tax and alcohol and beverage laws require dealers to maintain and produce certain records. Without records, the Department is unable to conduct the audit and must resort to estimating the dealer's compliance.¹³

Proposed Changes: Section 9 creates s. 212.13(2)(b), F.S., which will allow the Department, during the course of an audit, to suspend a dealer's privilege to hold a resale certificate and purchase products tax exempt for resale when a dealer¹⁴ asserts that they have no records or refuse to provide records related to their purchase and/or sale of alcoholic beverages and tobacco. The dealer would still be able to purchase non-alcohol and non-tobacco products and take a credit for taxes paid against sales tax collected and remitted on the resale of the products. The Department is required to notify the Division of Alcoholic Beverages and Tobacco within

¹⁰ Section 206.9931, F.S.

¹¹ Chapter 2017-36, L.O.F.

¹² Section 212.13(2), F.S.

¹³ *Supra* Note 2.

¹⁴ "Dealer" means a dealer, as defined in s. 212.06, F.S., which is licensed under chapter 561.

the Department of Business and Professional Regulation (Division) when a dealer's resale certificate is suspended and to publish a list of such dealers. The bill requires the Division to include notice of such suspension in its license verification database or to provide a link to the Department's publish list from the Division's license verification page. A transferor is required to discontinue accepting orders from and delivering alcoholic beverages to a dealer whose resale certificate has been suspended within 7 days after the date on which the dealer is added to the Department's published list, and a transferor who sells alcoholic beverages to such a dealer is not responsible for any tax, penalty, or interest due if the alcoholic beverages are delivered no more than 7 days after the date of publication of the suspension. The Department may adopt rules to implement s. 212.13(2)(b), F.S.

Section 12 – Confidentiality and Information Sharing

Present Situation: Taxpayer information received by the Department is generally confidential and exempt from public records requirements.¹⁵ This confidential treatment and exemption from public records requirements extends to all information contained in returns, reports, accounts, declarations, investigative reports, and letters of technical advice.¹⁶ The Department is authorized to make confidential information available as specified under Florida law.¹⁷

Proposed Changes: Section 12 creates s. 213.053(21), F.S., to authorize the Department to publish a list of dealers whose resale certificates have been suspended pursuant to s. 212.13(2)(b). The bill specifies information that must be contained in the list and requires the Department to update the list daily as needed. The Department is authorized to adopt rules to administer s. 213.053(21), F.S.

Section 13 – Rulemaking Authority and Emergency Rules

Present Situation: The Department has received at least one final order from the Division of Administrative Hearings (DOAH) holding that the Department may not rely on a general grant of rulemaking authority to adopt a rule implementing other specific revenue laws. The First District Court of Appeal has ruled inconsistently on this issue. It appears that a grant of rulemaking authority and a specific law to be implemented has been confused by some courts to require a grant of specific rulemaking authority.¹⁸ Most revenue laws, especially those predating the administrative procedures act, do not contain specific rulemaking authority for each provision.

Current law provides emergency rulemaking authority for revenue laws effective less than 60 days after the end of the session in which the change enacted.¹⁹ This provision fails to include many revenue laws, which typically have an October 1 effective date or changes with an "upon becoming law" effective date when the bill is not transferred to the Governor from the Legislature for a number of weeks or months, delaying the Department's ability to begin rulemaking.

¹⁵ Section 213.053(2)(a), F.S.

¹⁶ *Id.*

¹⁷ *See* s. 213.053, F.S.

¹⁸ *Supra* Note 2.

¹⁹ Section 213.06(2), F.S.

Proposed Changes: Section 13 amends s. 213.06(2), F.S., to authorize the Executive Director of the Department to adopt emergency rules when the effective date of a legislative change occurs sooner than 120 days after the close of the Legislative Session in which enacted or after the Governor approves or fails to veto the legislative change, whichever is later, and the change affects a tax rate or a collection or reporting procedure which affects a substantial number of dealers or persons subject to the tax change or procedure.

Emergency rules adopted under s. 213.06(2), F.S., are exempt from s. 120.54(4)(c), F.S., remain in effect for 6 months or until replaced by rules adopted under the nonemergency rulemaking procedures of the Administrative Procedure Act, and may be renewed for no more than 3 additional 6-month periods during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

The bill also creates subsection 213.06(3), F.S., which provides that the grants of rulemaking authority in s. 213.06(1) and (2), F.S., are sufficient to allow the Department to adopt rules implementing all revenue laws administered by the Department. Each revenue law administered by the Department is an enabling statute authorizing the Department to implement it, regardless of whether the enabling statute contains its own grant of rulemaking authority.

Section 14 – Informal Compromises and Reopening of Final Assessments

Present Situation: Current Florida law requires taxpayers to maintain and provide records related to tax compliance and to provide those records during audit. While there are no specific statutory penalties imposed solely for failure to keep and provide records, delinquency penalties may be imposed up to 50 percent of any tax due. The Department is required to compromise 25 percent of the delinquency penalty if the Department determines that compliance errors were due to reasonable cause and not willful negligence, willful neglect, or fraud.²⁰ The Department has discretion to compromise the remaining 25 percent for the same reason. Without records, the Department is forced to estimate any potential liability, and a determination regarding reasonable cause and penalty compromise is nearly impossible.

Current law does not provide the Department with the authority to reopen a final assessment for purposes of adjusting or compromising the liability, other than to resolve the outstanding liability for collectability.²¹

Proposed Changes: Section 14 amends s. 213.21(3)(a), F.S., to provide that a taxpayer's liability for penalties under any of the chapters specified in s. 72.011(1), F.S., greater than 25 percent of the tax must be settled or compromised if the Department determines that the noncompliance is not due to willful negligence, willful neglect, or fraud. In addition, a taxpayer's liability for penalties up to and including 25 percent of the tax may be settled or compromised if the Department determines that reasonable cause exists and the penalties greater than 25 percent of the tax were compromised because the noncompliance is not due to willful negligence, willful neglect, or fraud. The bill creates a rebuttable presumption that a taxpayer's noncompliance is

²⁰ Section 213.21(3)(a), F.S.

²¹ Section 213.21, F.S.

due to willful negligence, willful neglect, or fraud when adequate records as requested by the Department are not provided to the Department before the issuance of an assessment. The presumption may be rebutted by showing reasonable cause why adequate records were not provided or available to the taxpayer.

Section 14 also creates s. 213.21(11), F.S., to provide that following the expiration of time for a taxpayer to challenge an assessment or a denial of a refund as provided in s. 72.011, F.S., the Department may consider a request to settle or compromise any tax, interest, penalty, or other liability under s. 213.21, F.S., if the taxpayer demonstrates that the failure to initiate a timely challenge was due to a qualified event that directly impacted compliance with that section. For purposes of s. 213.21(11), F.S., a qualified event is limited to the occurrence of events during an audit or the expired protest period which were beyond the control of the taxpayer, including the death or life-threatening injury or illness of the taxpayer or an immediate family member of the taxpayer; the death or life-threatening injury or illness of the responsible party that controlled, managed, or directed the affected business entity; acts of war or terrorism; natural disasters; fire; or other catastrophic loss. The Department may not consider a request received more than 180 days after the expiration of time allowed under s. 72.011, F.S.

The bill creates s. 213.21(12), F.S., to provide that any decision by the Department regarding a taxpayer's request to compromise or settle a liability under this s. 213.21, F.S., is not a final order subject to review under ch. 120, F.S.

Section 15 – Tolling Periods, Exit Conferences, and Automatic Repayment of Overpayments

Present Situation: The Department is required to issue an assessment capable of becoming final 60 days prior to the end of the tolling of the audit period. The Department's rules provide taxpayers with a notice prior to the issuance of the Notice of Proposed Assessment and 30 days to request a conference with the auditor to resolve as many issues as possible before the taxpayer must take more formal actions to contest the assessment. Additional documentation is often provided during this period resulting in revisions to the liability. The statute does not require this pre-notice and does not allow for an extension of the tolling of the statute of limitations during this process.

A District Court decision held that an assessment was untimely where the assessment was not issued 60 days prior to the expiration of an extended statute of limitations.²² This decision is inconsistent with the operation of other statutes controlling application of the statute of limitations on the audit process and creates an inconsistency with assessments issued without an extension. The confusion makes it less likely for the Department to engage in extensions at the request of taxpayers and may result in less opportunity for taxpayers to resolve issues in the field.²³

²² *Verizon Business Purchasing, LLC, v. Dept of Revenue*, 164 So.3d 806 (Fla. 1 DCA 2015).

²³ *Supra* Note 2.

When a compliance audit results in an overpayment, credit, or refund, except for corporate income/franchise tax,²⁴ the taxpayer is required to complete an Application for Refund before the refund can be issued by the Department.²⁵

Proposed Changes: Section 15 amends s. 213.34(2), F.S., to provide that during the course of an audit, but before the issuance of an assessment other than a jeopardy assessment, the Department shall issue to the taxpayer a notice explaining the audit findings. No later than 30 days after the issuance of the notice, the taxpayer may request in writing an exit conference at a mutually agreeable date and time with the Department's audit staff to discuss the audit findings. The exit conference must be conducted no later than 30 days after a request for the conference, unless the taxpayer and the Department enter into an agreement to extend the audit tolling period pursuant to s. 213.23, F.S. The taxpayer shall be given an opportunity at or before the exit conference to provide additional information and documents to the Department to rebut the audit findings. Upon the mutual written agreement between the Department and the taxpayer to extend the audit tolling period pursuant to s. 213.23, F.S., the exit conference may be continued to allow the taxpayer additional time to provide information and documents to the Department. The Department shall review any information provided by the taxpayer and, if the Department revises the audit findings, a copy of the revised audit findings must be provided to the taxpayer. Such revision of the audit findings does not provide a right to any additional conference.

Section 15 also provides that if an exit conference is timely requested in writing, the limitations in s. 95.091(3), F.S., are tolled an additional 60 days. If the Department fails to offer a taxpayer the opportunity to hold an exit conference despite a timely written request, the limitations period in s. 95.091(3), F.S., may not be tolled for the additional 60 days. If the assessment is issued outside of the limitations period, the assessment must be reduced by the amount of those taxes, penalties, and interest for reporting periods outside of the limitations period, as modified by any other tolling or extension provisions.

If a request for an exit conference is not timely made, the right to a conference is waived. A taxpayer may also affirmatively waive its right to an exit conference. Failure to hold an exit conference does not preclude the Department from issuing an assessment.

The Department may adopt rules to implement s. 213.34(2), F.S.

Section 15 also creates s. 213.34(5), F.S., which provides that if, after offsetting the overpayment of any tax during an audit against a deficiency of any tax, penalty, or interest during the same audit period, the Department's audit finds that the tax paid is more than the correct amount, the Department must refund the overpayment that is within the applicable period provided by s. 215.26, F.S. Such action by the Department does not prevent a taxpayer from challenging the amount of the refund pursuant to chs. 72 and 120, F.S., or applying for a refund of additional tax within the applicable period. This provision will eliminate the requirement for a taxpayer to submit a refund application to obtain a refund discovered as the result of a compliance audit.

²⁴ Chapter 220, F.S.

²⁵ Section 213.285(6), F.S.

Section 17 – Garnishment

Present Situation: The Department has the authority to issue a levy upon credits, other personal property, or debts belonging to a delinquent taxpayer. The Department may levy for any taxes, penalties, and interest; however, the Department does not have the authority to levy for fees (e.g., administrative collection processing fee (ACP fee), warrant filing fees, or any other fee or cost that might be enacted into the Florida Statutes), additional daily accrued interest, or the authority to issue notices to levy (garnishments) by electronic means.²⁶ As a result, the Department typically continues with collection efforts for these additional fees after the initial levy is complete.

Proposed Changes: Section 17 amends s. 213.67, F.S., to authorize the Department to include all taxes, penalties, interest, costs, and fees authorized by law to be included in a garnishment or levy, which has the effect of avoiding multiple collection efforts for additional amounts. The bill also allows the Department to deliver its notices of levy by electronic means, as requested by many financial institutions.

Section 18 – Methods of Accounting

Present Situation: A taxpayer may report any portion of its income for long-term contracts for Florida purposes on the percentage of completion method of accounting if the taxpayer reports any portion of its income for long-term contracts on the completed contract method of accounting for federal purposes.²⁷ The completed contract method of accounting is obsolete and has not been available since 1989. Florida law also references Treasury Regulation 1.451-3, which has been repurposed by the Internal Revenue Service.²⁸

Proposed Changes: Section 18 repeals s. 220.42(3), F.S., and a reference to that subsection within s. 220.42(1), F.S.

Section 20 – Pandemic Benefit Charges Clarification

Present Situation: Employers file quarterly reports listing their employees and the wages paid to those employees. A tax rate is issued to each employer every year, and the tax due is determined by multiplying that tax rate by the amount of taxable wages reported by the employer. Reemployment tax is only imposed on the first \$7,000 of wages.²⁹ A new employer is assigned a tax rate of 2.7 percent.³⁰ This tax rate is in effect for 8 chargeable quarters (approximately 2 ½ years), at which time the employer is eligible for an earned rate which can vary from the statutory minimum (1 percent) to the statutory maximum (5.4 percent) of taxable wages. One of the factors used in calculating the earned rate is the amount of reemployment assistance benefits paid to the employer's ex-employees.

²⁶ Section 213.67, F.S.

²⁷ Section 220.42(3), F.S.

²⁸ *Id.*

²⁹ Section 443.131(3)(e), F.S.

³⁰ Section 443.131(2)(a), F.S.

In the 2021 Legislative Session, the rate calculation was amended to exclude benefit charges from the benefits paid during the period beginning April 1, 2020, and ending December 31, 2020, for rates effective through December 31, 2025.³¹ The amendment also included a provision that repealed this exclusion if the balance of the Unemployment Trust Fund exceeds \$4,071,519,600 on June 30 of any year, which could be interpreted to result in the inclusion of all benefit charges that were previously excluded, thereby substantially increasing tax rates.

Proposed Changes: Section 20 amends s. 443.131, F.S., to clarify that the rate calculation “shall exclude any benefit that is excluded by the multipliers under subparagraph (b)2. and subparagraph 1. for rates effective January 1, 2021, through December 31, 2025, notwithstanding the repeal of subparagraph 5. as provided in ch. 2021-2, L.O.F.” Therefore, for the calculation of rates through 2025, the Department will exclude benefit charges from the second through fourth quarters of 2020, even if the balance of the Unemployment Compensation Trust Fund exceeds \$4,071,519,600.

Section 21 – Federally Required Offset Program

Present Situation: Federal law requires states to participate in the Treasury Offset Program (TOP) in order to receive grants for the administration of the reemployment assistance program. The TOP requires states to send a list of delinquent employers to Treasury, which intercepts any federal income tax refund and sends it to the states to offset the employers’ reemployment tax debt.³² Current state law does not specifically give the Department the authority to participate in the intercept program or provide the legal authority to adopt any needed rules regarding the intercept program.³³

Proposed Changes: Section 22 requires the Department to comply with the requirements of the TOP as it pertains to the recovery of unemployment compensation debts as required by the United States Department of Labor pursuant to 26 U.S.C. s. 6402. The Department is also provided the authority to adopt rules to implement this provision.

Section 22 provides an effective date of July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, section 18 of the Florida Constitution requires a two-thirds vote of the membership of each house of the Legislature to pass legislation requiring counties and municipalities to spend funds, limit their ability to raise revenue, or reduce the percentage of a state tax shared with them. The bill does not require counties and municipalities to spend funds, limit their ability to raise revenue, or reduce the percentage of a shared state tax. Therefore, the provisions of Article VII, section 18 of the Florida Constitution do not apply.

³¹ Chapter 2021-2, L.O.F.

³² 42 U.S.C. s. 503, which incorporates 26 U.S.C. s. 6402.

³³ Chapter 443, F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Laws that create or raise state taxes or fees must be passed by two-thirds vote of the membership of each house of the Legislature in a separate bill that contains no other subject.³⁴ The bill does not increase any taxes or fees; therefore, the increased tax or fee requirements do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not determined the fiscal impact of the bill. Staff estimates that the bill will increase General Revenue Fund receipts by an indeterminate amount in Fiscal Years 2022-2023 through 2026-2027.³⁵

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Revenue has analyzed the bill and expects implementation to cost less than \$25,000.³⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

³⁴ See FLA. CONST., art. VII, s. 19.

³⁵ The Revenue Estimating Conference, 2022 Regular Session, *Impact Conference Results*, p. 213-215; 235-247 (Jan. 14, 2022), available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/Impact0114.pdf (last accessed Feb. 4, 2022).

³⁶ Department of Revenue, *2022 Agency Legislative Bill Analysis, SB 1382*, available at <http://abar.laspbs.state.fl.us/ABAR/Attachment.aspx?ID=33394> (last accessed Feb. 4, 2022).

VIII. Statutes Affected:

The bill substantially amends the following sections of the Florida Statutes: 72.011, 120.80, 202.34, 202.36, 206.14, 206.9931, 211.125, 212.05, 212.13, 212.14, 213.051, 213.053, 213.06, 213.21, 213.34, 213.345, 213.67, 220.42, 220.735, 443.131, and 443.171,.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax on February 10, 2022:

The CS:

- Primarily conforms the bill to CS/HB 1041;
- Adds provisions to allow judges and presiding officers to determine good cause for a taxpayer's failure to provide records under certain circumstances;
- Removes the provision relating to emergency rulemaking powers of agencies headed by the Governor and the Cabinet;
- Removes the provision to clarify that the parties to any document evidencing the transfer of real property must establish the consideration before the transfer or the delivery of any document evidencing the transfer of the real property;
- Revises the process relating to when taxpayers object to audits;
- Revises the process relating to when taxpayers fail to provide documents requested by subpoena issued under specified sections of law;
- Deletes the repeal of a tax exemption for building materials used in the rehabilitation of real property located in an enterprise zone;
- Creates definitions relating to dealers licensed under ch. 561; adds language to clarify that the removal of resale certificates of dealers operates in the context of an audit when the taxpayer has refused to provide records after a formal demand; provides an opportunity for the taxpayer to challenge the action in the DOAH; provides a mechanism to inform wholesale distributors of the removal of the resale certificate; and authorizes the Department to implement rules;
- Authorizes the Department to share certain information relating to dealers and to adopt rules;
- Increases the timeframe in which a taxpayer may request conferences and the timeframe in which conferences must occur;
- Removes the section of the bill relating to the State Fire Marshal regulatory assessment and surcharge as well as the conforming sections;
- Revises the effective date to July 1, 2022; and
- Makes other conforming and technical changes.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
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	.	

The Committee on Finance and Tax (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (c) is added to subsection (1) of
section 72.011, Florida Statutes, to read:

72.011 Jurisdiction of circuit courts in specific tax
matters; administrative hearings and appeals; time for
commencing action; parties; deposits.—

(1)



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11 (c) A taxpayer may not submit records pertaining to an
12 assessment or refund claim as evidence in any proceeding under
13 this section if those records were available to, or required to
14 be kept by, the taxpayer and were not timely provided to the
15 Department of Revenue after a written request for the records
16 during the audit or protest period and before submission of a
17 petition for hearing pursuant to chapter 120 or the filing of an
18 action under paragraph (a), unless the taxpayer demonstrates to
19 the court or presiding officer good cause for its failure to
20 previously provide such records to the department.

21 Section 2. Paragraph (b) of subsection (14) of section
22 120.80, Florida Statutes, is amended to read:

23 120.80 Exceptions and special requirements; agencies.—

24 (14) DEPARTMENT OF REVENUE.—

25 (b) *Taxpayer contest proceedings.*—

26 1. In any administrative proceeding brought pursuant to
27 this chapter as authorized by s. 72.011(1), the taxpayer shall
28 be designated the “petitioner” and the Department of Revenue
29 shall be designated the “respondent,” except that for actions
30 contesting an assessment or denial of refund under chapter 207,
31 the Department of Highway Safety and Motor Vehicles shall be
32 designated the “respondent,” and for actions contesting an
33 assessment or denial of refund under chapters 210, 550, 561,
34 562, 563, 564, and 565, the Department of Business and
35 Professional Regulation shall be designated the “respondent.”

36 2. In any such administrative proceeding, the applicable
37 department’s burden of proof, except as otherwise specifically
38 provided by general law, shall be limited to a showing that an
39 assessment has been made against the taxpayer and the factual



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40 and legal grounds upon which the applicable department made the
41 assessment.

42 3.a. Before ~~Prior to~~ filing a petition under this chapter,
43 the taxpayer shall pay to the applicable department the amount
44 of taxes, penalties, and accrued interest assessed by that
45 department which are not being contested by the taxpayer.
46 Failure to pay the uncontested amount shall result in the
47 dismissal of the action and imposition of an additional penalty
48 of 25 percent of the amount taxed.

49 b. The requirements of s. 72.011(2) and (3)(a) are
50 jurisdictional for any action under this chapter to contest an
51 assessment or denial of refund by the Department of Revenue, the
52 Department of Highway Safety and Motor Vehicles, or the
53 Department of Business and Professional Regulation.

54 4. Except as provided in s. 220.719, further collection and
55 enforcement of the contested amount of an assessment for
56 nonpayment or underpayment of any tax, interest, or penalty
57 shall be stayed beginning on the date a petition is filed. Upon
58 entry of a final order, an agency may resume collection and
59 enforcement action.

60 5. The prevailing party, in a proceeding under ss. 120.569
61 and 120.57 authorized by s. 72.011(1), may recover all legal
62 costs incurred in such proceeding, including reasonable attorney
63 ~~attorney's~~ fees, if the losing party fails to raise a
64 justiciable issue of law or fact in its petition or response.

65 6. Upon review pursuant to s. 120.68 of final agency action
66 concerning an assessment of tax, penalty, or interest with
67 respect to a tax imposed under chapter 212, or the denial of a
68 refund of any tax imposed under chapter 212, if the court finds



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69 that the Department of Revenue improperly rejected or modified a
70 conclusion of law, the court may award reasonable attorney
71 attorney's fees and reasonable costs of the appeal to the
72 prevailing appellant.

73 7. A taxpayer may not submit records pertaining to an
74 assessment or refund claim as evidence in any proceeding brought
75 pursuant to this chapter as authorized by s. 72.011(1) if those
76 records were available to, or required to be kept by, the
77 taxpayer and were not timely provided to the Department of
78 Revenue after a written request for the records during the audit
79 or protest period and before submission of a petition for
80 hearing under this chapter, unless the taxpayer demonstrates
81 good cause to the presiding officer for its failure to
82 previously provide such records to the department.

83 Section 3. Paragraph (f) is added to subsection (4) of
84 section 202.34, Florida Statutes, and subsection (6) is added to
85 that section, to read:

86 202.34 Records required to be kept; power to inspect; audit
87 procedure.—

88 (4)

89 (f) Once the notification required by paragraph (a) is
90 issued, the department, at any time, may respond to contact
91 initiated by a taxpayer to discuss the audit, and the taxpayer
92 may provide records or other information, electronically or
93 otherwise, to the department. The department may examine, at any
94 time, documentation and other information voluntarily provided
95 by the taxpayer, its representative, or other parties;
96 information already in the department's possession; or publicly
97 available information. The department's examination of such



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98 information does not mean an audit has commenced if the review
99 takes place within 60 days after the notice of intent to conduct
100 an audit. The requirement in paragraph (a) does not limit the
101 department in making initial contact with the taxpayer to
102 confirm receipt of the notification or to confirm the date that
103 the audit will begin. If the taxpayer has not previously waived
104 the 60-day notice period and believes the department commenced
105 the audit prior to the 61st day, the taxpayer must object in
106 writing to the department before the issuance of an assessment
107 or the objection is waived. If the objection is not waived and
108 it is determined that the audit was commenced before the 61st
109 day after the issuance of the notice of intent to audit, the
110 tolling period provided for in s. 213.345 is considered lifted
111 for the number of days equal to the difference between the date
112 the audit commenced and the 61st day after the date of the
113 department's notice of intent to audit.

114 (6) The department may adopt rules to administer this
115 section.

116 Section 4. Paragraph (a) of subsection (4) of section
117 202.36, Florida Statutes, is amended to read:

118 202.36 Departmental powers; hearings; distress warrants;
119 bonds; subpoenas and subpoenas duces tecum.—

120 (4) (a) The department may issue subpoenas or subpoenas
121 duces tecum compelling the attendance and testimony of witnesses
122 and the production of books, records, written materials, and
123 electronically recorded information. Subpoenas must be issued
124 with the written and signed approval of the executive director
125 or his or her designee on a written and sworn application by any
126 employee of the department. The application must set forth the



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127 reason for the application, the name of the person subpoenaed,
128 the time and place of appearance of the witness, and a
129 description of any books, records, or electronically recorded
130 information to be produced, together with a statement by the
131 applicant that the department has unsuccessfully attempted other
132 reasonable means of securing information and that the testimony
133 of the witness or the written or electronically recorded
134 materials sought in the subpoena are necessary for the
135 collection of taxes, penalty, or interest or the enforcement of
136 the taxes levied or administered under this chapter. A subpoena
137 shall be served in the manner provided by law and by the Florida
138 Rules of Civil Procedure and shall be returnable only during
139 regular business hours and at least 20 calendar days after the
140 date of service of the subpoena. Any subpoena to which this
141 subsection applies must identify the taxpayer to whom the
142 subpoena relates and to whom the records pertain and must
143 provide other information to enable the person subpoenaed to
144 locate the records required under the subpoena. The department
145 shall give notice to the taxpayer to whom the subpoena relates
146 within 3 days after the day on which the service of the subpoena
147 is made. Within 14 days after service of the subpoena, the
148 person to whom the subpoena is directed may serve written
149 objection to the inspection or copying of any of the designated
150 materials. If objection is made, the department may not inspect
151 or copy the materials, except pursuant to an order of the
152 circuit court. If an objection is made, the department may
153 petition any circuit court for an order to comply with the
154 subpoena. The subpoena must contain a written notice of the
155 right to object to the subpoena. Every subpoena served upon the



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156 witness or custodian of records must be accompanied by a copy of
157 ~~the provisions of~~ this subsection. If a person refuses to obey a
158 subpoena or subpoena duces tecum, the department may apply to
159 any circuit court of this state to enforce compliance with the
160 subpoena. Witnesses are entitled to be paid a mileage allowance
161 and witness fees as authorized for witnesses in civil cases. The
162 failure of a taxpayer to provide documents available to, or
163 required to be kept by, the taxpayer and requested by a subpoena
164 issued under this section creates a rebuttable presumption that
165 the resulting proposed final agency action by the department, as
166 to the requested documents, is correct and that the requested
167 documents not produced by the taxpayer would be adverse to the
168 taxpayer's position as to the proposed final agency action. If a
169 taxpayer fails to provide documents requested by a subpoena
170 issued under this section, the department may make an assessment
171 from an estimate based upon the best information then available
172 to it for the taxable period of retail sales of the taxpayer,
173 together with any accrued interest and penalties. The department
174 shall inform the taxpayer of the reason for the estimate and the
175 information and methodology used to derive the estimate. Such
176 assessment shall be deemed prima facie correct, and the burden
177 to show the contrary rests upon the dealer or other person. The
178 presumption and authority to use estimates for the purpose of
179 assessment under this paragraph do not apply solely because a
180 taxpayer or its representative requests a conference to
181 negotiate the production of a sample of records demanded by a
182 subpoena.

183 Section 5. Subsection (4) of section 206.14, Florida
184 Statutes, is amended to read:



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185 206.14 Inspection of records; audits; hearings; forms;
186 rules and regulations.—

187 (4) If any person unreasonably refuses access to such
188 records, books, papers or other documents, or equipment, or if
189 any person fails or refuses to obey such subpoenas duces tecum
190 or to testify, except for lawful reasons, before the department
191 or any of its authorized agents, the department shall certify
192 the names and facts to the clerk of the circuit court of any
193 county; and the circuit court shall enter such order against
194 such person in the premises as the enforcement of this law and
195 justice requires. The failure of a taxpayer to provide documents
196 available to, or required to be kept by, the taxpayer and
197 requested by a subpoena issued under this section creates a
198 rebuttable presumption that the resulting proposed final agency
199 action by the department, as to the requested documents, is
200 correct and that the requested documents not produced by the
201 taxpayer would be adverse to the taxpayer's position as to the
202 proposed final agency action. If a taxpayer fails to provide
203 documents requested by a subpoena issued under this section, the
204 department may make an assessment from an estimate of the
205 taxpayer's liability based upon the best information then
206 available to it. The department shall inform the taxpayer of the
207 reason for the estimate and the information and methodology used
208 to derive the estimate. Such assessment shall be deemed prima
209 facie correct, and the burden to show the contrary rests upon
210 the dealer or other person. The presumption and authority to use
211 estimates for the purpose of assessment under this paragraph do
212 not apply solely because a taxpayer or its representative
213 requests a conference to negotiate the production of a sample of



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214 records demanded by a subpoena.

215 Section 6. Subsection (1) of section 206.9931, Florida
216 Statutes, is amended to read:

217 206.9931 Administrative provisions.—

218 (1) Any person producing in, importing into, or causing to
219 be imported into this state taxable pollutants for sale, use, or
220 otherwise and who is not registered or licensed pursuant to
221 other parts of this chapter is hereby required to register and
222 become licensed for the purposes of this part. Such person shall
223 register as either a producer or importer of pollutants and
224 shall be subject to all applicable registration and licensing
225 provisions of this chapter, as if fully set out in this part and
226 made expressly applicable to the taxes imposed herein,
227 including, but not limited to, ss. 206.02, 206.021, 206.022,
228 206.025, 206.03, 206.04, and 206.05. For the purposes of this
229 section, registrations required exclusively for this part shall
230 be made within 90 days of July 1, 1986, for existing businesses,
231 or before ~~prior to~~ the first production or importation of
232 pollutants for businesses created after July 1, 1986. ~~The fee~~
233 ~~for registration shall be \$30.~~ Failure to timely register is a
234 misdemeanor of the first degree, punishable as provided in s.
235 775.082 or s. 775.083.

236 Section 7. Paragraph (b) of subsection (3) of section
237 211.125, Florida Statutes, is amended to read:

238 211.125 Administration of law; books and records; powers of
239 the department; refunds; enforcement provisions;
240 confidentiality.—

241 (3)

242 (b) The department may ~~shall have the power to~~ inspect or



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243 examine the books, records, or papers of any operator, producer,
244 purchaser, royalty interest owner, taxpayer, or transporter of
245 taxable products which are reasonably required for the purposes
246 of this part and may require such person to testify under oath
247 or affirmation or to answer competent questions touching upon
248 such person's business or production of taxable products in this
249 ~~the~~ state.

250 1. The department may issue subpoenas to compel third
251 parties to testify or to produce records or other evidence held
252 by them.

253 2. Any duly authorized representative of the department may
254 administer an oath or affirmation.

255 3. If any person fails to comply with a request of the
256 department for the inspection of records, fails to give
257 testimony or respond to competent questions, or fails to comply
258 with a subpoena, a circuit court having jurisdiction over such
259 person may, upon application by the department, issue orders
260 necessary to secure compliance. The failure of a taxpayer to
261 provide documents available to, or required to be kept by, the
262 taxpayer and requested by a subpoena issued under this section
263 creates a rebuttable presumption that the resulting proposed
264 final agency action by the department, as to the requested
265 documents, is correct and that the requested documents not
266 produced by the taxpayer would be adverse to the taxpayer's
267 position as to the proposed final agency action. If a taxpayer
268 fails to provide documents requested by a subpoena issued under
269 this section, the department may make an assessment from an
270 estimate based upon the best information then available to it.
271 The department shall inform the taxpayer of the reason for the



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272 estimate and the information and methodology used to derive the
273 estimate. Such assessment shall be considered prima facie
274 correct, and the taxpayer shall have the burden of showing any
275 error in it.

276 Section 8. Paragraph (a) of subsection (1) of section
277 212.05, Florida Statutes, is amended to read:

278 212.05 Sales, storage, use tax.—It is hereby declared to be
279 the legislative intent that every person is exercising a taxable
280 privilege who engages in the business of selling tangible
281 personal property at retail in this state, including the
282 business of making or facilitating remote sales; who rents or
283 furnishes any of the things or services taxable under this
284 chapter; or who stores for use or consumption in this state any
285 item or article of tangible personal property as defined herein
286 and who leases or rents such property within the state.

287 (1) For the exercise of such privilege, a tax is levied on
288 each taxable transaction or incident, which tax is due and
289 payable as follows:

290 (a)1.a. At the rate of 6 percent of the sales price of each
291 item or article of tangible personal property when sold at
292 retail in this state, computed on each taxable sale for the
293 purpose of remitting the amount of tax due the state, and
294 including each and every retail sale.

295 b. Each occasional or isolated sale of an aircraft, boat,
296 mobile home, or motor vehicle of a class or type which is
297 required to be registered, licensed, titled, or documented in
298 this state or by the United States Government is ~~shall be~~
299 subject to tax at the rate provided in this paragraph. The
300 department shall by rule adopt any nationally recognized



301 publication for valuation of used motor vehicles as the
302 reference price list for any used motor vehicle which is
303 required to be licensed pursuant to s. 320.08(1), (2), (3)(a),
304 (b), (c), or (e), or (9). If any party to an occasional or
305 isolated sale of such a vehicle reports to the tax collector a
306 sales price which is less than 80 percent of the average loan
307 price for the specified model and year of such vehicle as listed
308 in the most recent reference price list, the tax levied under
309 this paragraph shall be computed by the department on such
310 average loan price unless the parties to the sale have provided
311 to the tax collector an affidavit signed by each party, or other
312 substantial proof, stating the actual sales price. Any party to
313 such sale who reports a sales price less than the actual sales
314 price is guilty of a misdemeanor of the first degree, punishable
315 as provided in s. 775.082 or s. 775.083. The department shall
316 collect or attempt to collect from such party any delinquent
317 sales taxes. In addition, such party shall pay any tax due and
318 any penalty and interest assessed plus a penalty equal to twice
319 the amount of the additional tax owed. Notwithstanding any other
320 provision of law, the Department of Revenue may waive or
321 compromise any penalty imposed pursuant to this subparagraph.

322 2. This paragraph does not apply to the sale of a boat or
323 aircraft by or through a registered dealer under this chapter to
324 a purchaser who, at the time of taking delivery, is a
325 nonresident of this state, does not make his or her permanent
326 place of abode in this state, and is not engaged in carrying on
327 in this state any employment, trade, business, or profession in
328 which the boat or aircraft will be used in this state, or is a
329 corporation none of the officers or directors of which is a



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330 resident of, or makes his or her permanent place of abode in,
331 this state, or is a noncorporate entity that has no individual
332 vested with authority to participate in the management,
333 direction, or control of the entity's affairs who is a resident
334 of, or makes his or her permanent abode in, this state. For
335 purposes of this exemption, either a registered dealer acting on
336 his or her own behalf as seller, a registered dealer acting as
337 broker on behalf of a seller, or a registered dealer acting as
338 broker on behalf of the nonresident purchaser may be deemed to
339 be the selling dealer. This exemption is ~~shall~~ not ~~be~~ allowed
340 unless:

341 a. The nonresident purchaser removes a qualifying boat, as
342 described in sub-subparagraph f., from this ~~the~~ state within 90
343 days after the date of purchase or extension, or the nonresident
344 purchaser removes a nonqualifying boat or an aircraft from this
345 state within 10 days after the date of purchase or, when the
346 boat or aircraft is repaired or altered, within 20 days after
347 completion of the repairs or alterations; or if the aircraft
348 will be registered in a foreign jurisdiction and:

349 (I) Application for the aircraft's registration is properly
350 filed with a civil airworthiness authority of a foreign
351 jurisdiction within 10 days after the date of purchase;

352 (II) The nonresident purchaser removes the aircraft from
353 this ~~the~~ state to a foreign jurisdiction within 10 days after
354 the date the aircraft is registered by the applicable foreign
355 airworthiness authority; and

356 (III) The aircraft is operated in this ~~the~~ state solely to
357 remove it from this ~~the~~ state to a foreign jurisdiction.
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359 For purposes of this sub-subparagraph, the term "foreign
360 jurisdiction" means any jurisdiction outside of the United
361 States or any of its territories;

362 b. The nonresident purchaser, within 90 days after ~~from~~ the
363 date of departure, provides the department with written proof
364 that the nonresident purchaser licensed, registered, titled, or
365 documented the boat or aircraft outside this ~~the~~ state. If such
366 written proof is unavailable, within 90 days the nonresident
367 purchaser must ~~shall~~ provide proof that the nonresident
368 purchaser applied for such license, title, registration, or
369 documentation. The nonresident purchaser shall forward to the
370 department proof of title, license, registration, or
371 documentation upon receipt;

372 c. The nonresident purchaser, within 30 days after removing
373 the boat or aircraft from this state ~~Florida~~, furnishes the
374 department with proof of removal in the form of receipts for
375 fuel, dockage, slippage, tie-down, or hangaring from outside of
376 this state ~~Florida~~. The information so provided must clearly and
377 specifically identify the boat or aircraft;

378 d. The selling dealer, within 30 days after the date of
379 sale, provides to the department a copy of the sales invoice,
380 closing statement, bills of sale, and the original affidavit
381 signed by the nonresident purchaser affirming that the
382 nonresident purchaser qualifies for exemption from sales tax
383 pursuant to this subparagraph and attesting that the nonresident
384 purchaser will provide the documentation required to
385 substantiate the exemption claimed under this subparagraph
386 ~~attesting that he or she has read the provisions of this~~
387 ~~section;~~



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388 e. The seller makes a copy of the affidavit a part of his
389 or her record for as long as required by s. 213.35; and

390 f. Unless the nonresident purchaser of a boat of 5 net tons
391 of admeasurement or larger intends to remove the boat from this
392 state within 10 days after the date of purchase or when the boat
393 is repaired or altered, within 20 days after completion of the
394 repairs or alterations, the nonresident purchaser applies to the
395 selling dealer for a decal which authorizes 90 days after the
396 date of purchase for removal of the boat. The nonresident
397 purchaser of a qualifying boat may apply to the selling dealer
398 within 60 days after the date of purchase for an extension decal
399 that authorizes the boat to remain in this state for an
400 additional 90 days, but not more than a total of 180 days,
401 before the nonresident purchaser is required to pay the tax
402 imposed by this chapter. The department is authorized to issue
403 decals in advance to dealers. The number of decals issued in
404 advance to a dealer shall be consistent with the volume of the
405 dealer's past sales of boats which qualify under this sub-
406 subparagraph. The selling dealer or his or her agent shall mark
407 and affix the decals to qualifying boats in the manner
408 prescribed by the department, before delivery of the boat.

409 (I) The department is hereby authorized to charge dealers a
410 fee sufficient to recover the costs of decals issued, except the
411 extension decal shall cost \$425.

412 (II) The proceeds from the sale of decals will be deposited
413 into the administrative trust fund.

414 (III) Decals shall display information to identify the boat
415 as a qualifying boat under this sub-subparagraph, including, but
416 not limited to, the decal's date of expiration.



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417 (IV) The department is authorized to require dealers who
418 purchase decals to file reports with the department and may
419 prescribe all necessary records by rule. All such records are
420 subject to inspection by the department.

421 (V) Any dealer or his or her agent who issues a decal
422 falsely, fails to affix a decal, mismarks the expiration date of
423 a decal, or fails to properly account for decals will be
424 considered prima facie to have committed a fraudulent act to
425 evade the tax and will be liable for payment of the tax plus a
426 mandatory penalty of 200 percent of the tax, and shall be liable
427 for fine and punishment as provided by law for a conviction of a
428 misdemeanor of the first degree, as provided in s. 775.082 or s.
429 775.083.

430 (VI) Any nonresident purchaser of a boat who removes a
431 decal before permanently removing the boat from this ~~the~~ state,
432 or defaces, changes, modifies, or alters a decal in a manner
433 affecting its expiration date before its expiration, or who
434 causes or allows the same to be done by another, will be
435 considered prima facie to have committed a fraudulent act to
436 evade the tax and will be liable for payment of the tax plus a
437 mandatory penalty of 200 percent of the tax, and shall be liable
438 for fine and punishment as provided by law for a conviction of a
439 misdemeanor of the first degree, as provided in s. 775.082 or s.
440 775.083.

441 (VII) The department is authorized to adopt rules necessary
442 to administer and enforce this subparagraph and to publish the
443 necessary forms and instructions.

444 (VIII) The department is hereby authorized to adopt
445 emergency rules pursuant to s. 120.54(4) to administer and



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446 enforce ~~the provisions of~~ this subparagraph.

447

448 If the nonresident purchaser fails to remove the qualifying boat
449 from this state within the maximum 180 days after purchase or a
450 nonqualifying boat or an aircraft from this state within 10 days
451 after purchase or, when the boat or aircraft is repaired or
452 altered, within 20 days after completion of such repairs or
453 alterations, or permits the boat or aircraft to return to this
454 state within 6 months after ~~from~~ the date of departure, except
455 as provided in s. 212.08(7)(fff), or if the nonresident
456 purchaser fails to furnish the department with any of the
457 documentation required by this subparagraph within the
458 prescribed time period, the nonresident purchaser is ~~shall be~~
459 liable for use tax on the cost price of the boat or aircraft
460 and, in addition thereto, payment of a penalty to the Department
461 of Revenue equal to the tax payable. This penalty shall be in
462 lieu of the penalty imposed by s. 212.12(2). The maximum 180-day
463 period following the sale of a qualifying boat tax-exempt to a
464 nonresident may not be tolled for any reason.

465 Section 9. Subsections (2) and (5) of section 212.13,
466 Florida Statutes, are amended, and subsection (7) is added to
467 that section, to read:

468 212.13 Records required to be kept; power to inspect; audit
469 procedure.—

470 (2) (a) Each dealer, as defined in this chapter, shall
471 secure, maintain, and keep as long as required by s. 213.35 a
472 complete record of tangible personal property or services
473 received, used, sold at retail, distributed or stored, leased or
474 rented by said dealer, together with invoices, bills of lading,



475 gross receipts from such sales, and other pertinent records and
476 papers as may be required by the department for the reasonable
477 administration of this chapter. All such records must be made
478 available to the department at reasonable times and places and
479 by reasonable means, including in an electronic format when so
480 kept by the dealer. Any dealer subject to this chapter who
481 violates this subsection commits a misdemeanor of the first
482 degree, punishable as provided in s. 775.082 or s. 775.083. If,
483 however, any subsequent offense involves intentional destruction
484 of such records with an intent to evade payment of or deprive
485 the state of any tax revenues, such subsequent offense is a
486 felony of the third degree, punishable as provided in s. 775.082
487 or s. 775.083.

488 (b)1. As used in this paragraph, the term:

489 a. "Dealer" means a dealer, as defined in s. 212.06, which
490 is licensed under chapter 561.

491 b. "Division" means the Division of Alcoholic Beverages and
492 Tobacco of the Department of Business and Professional
493 Regulation.

494 c. "Transferor" means an entity or person, licensed under
495 chapter 561, who sells and delivers alcoholic beverages to a
496 dealer for purposes of resale.

497 2. Dealers shall maintain records of all monthly sales and
498 all monthly purchases of alcoholic beverages and produce such
499 records for inspection by the department. During the course of
500 an audit, if the department has made a formal demand for such
501 records and a dealer has failed to comply with such a demand,
502 the department may issue a written request for such records to
503 the dealer, allowing the dealer an additional 20 days to provide



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504 the requested records or show reasonable cause why the records
505 cannot be produced. If the dealer fails to produce the requested
506 records or show reasonable cause why the records cannot be
507 produced, the department shall issue a notice of intent to
508 suspend the dealer's resale certificate. The dealer shall then
509 have 20 days to file a petition with the department challenging
510 the proposed action pursuant to s. 120.569. If the dealer fails
511 to timely file a petition or the department prevails in a
512 proceeding challenging the notice, the department shall suspend
513 the resale certificate. The failure of a dealer to comply with
514 such a request is also deemed sufficient cause under s.
515 561.29(1) (a), and the department shall promptly notify the
516 division and the dealer of such failure for further appropriate
517 action by the division.

518 3. The department shall notify the division when a dealer's
519 resale certificate is suspended, and shall publish a list of
520 dealers whose resale certificates have been suspended as
521 permitted by s. 213.053(21). The division shall include notice
522 of such suspension in its license verification database, or
523 provide a link to the department's published list from the
524 division's license verification page.

525 4. A transferor is allowed 7 days, inclusive of any
526 Saturday, Sunday, or legal holiday, after the date of
527 publication to the department's list that the resale certificate
528 of a dealer has been suspended to discontinue accepting orders
529 from and delivering alcohol beverages to the dealer.

530 5. A transferor who sells alcoholic beverages to a dealer
531 whose resale certificate has been suspended is not responsible
532 for any tax, penalty, or interest due if the alcoholic beverages



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533 are delivered no more than 7 days, inclusive of any Saturday,
534 Sunday, or legal holiday, after the date of publication of the
535 suspension.

536 6. The department may adopt rules to implement this
537 paragraph.

538 (5) (a) The department shall send written notification at
539 least 60 days before ~~prior to~~ the date an auditor is scheduled
540 to begin an audit, informing the taxpayer of the audit. The
541 department is not required to give 60 days' prior notification
542 of a forthcoming audit in any instance in which the taxpayer
543 requests an emergency audit.

544 (b) Such written notification must ~~shall~~ contain:

545 1. The approximate date on which the auditor is scheduled
546 to begin the audit.

547 2. A reminder that all of the records, receipts, invoices,
548 resale certificates, and related documentation of the taxpayer
549 must be made available to the auditor.

550 3. Any other requests or suggestions the department may
551 deem necessary.

552 (c) Only records, receipts, invoices, resale certificates,
553 and related documentation that ~~which~~ are available to the
554 auditor when such audit begins are ~~shall be~~ deemed acceptable
555 for the purposes of conducting such audit. A resale certificate
556 containing a date before ~~prior to~~ the date the audit commences
557 is ~~shall be~~ deemed acceptable documentation of the specific
558 transaction or transactions which occurred in the past, for the
559 purpose of conducting an audit.

560 (d) The provisions of this chapter concerning fraudulent or
561 improper records, receipts, invoices, resale certificates, and



562 related documentation ~~shall~~ apply when conducting any audit.

563 (e) The requirement in paragraph (a) of 60 days' written
564 notification does not apply to the distress or jeopardy
565 situations referred to in s. 212.14 or s. 212.15.

566 (f) Once the notification required by paragraph (a) is
567 issued, the department, at any time, may respond to contact
568 initiated by a taxpayer to discuss the audit, and the taxpayer
569 may provide documentation or other information, electronically
570 or otherwise, to the department. The department may examine, at
571 any time, documentation and other information voluntarily
572 provided by the taxpayer, its representative, or other parties;
573 information already in the department's possession; or publicly
574 available information. The department's examination of such
575 information does not mean an audit has commenced if the review
576 takes place within 60 days after the notice of intent to conduct
577 an audit. The requirement in paragraph (a) does not limit the
578 department in making initial contact with the taxpayer to
579 confirm receipt of the notification or to confirm the date that
580 the audit will begin. If the taxpayer has not previously waived
581 the 60-day notice period and believes the department commenced
582 the audit prior to the 61st day, the taxpayer must object in
583 writing to the department before the issuance of an assessment
584 or else the objection is waived. If the objection is not waived
585 and it is determined that the audit was commenced before the
586 61st day after the issuance of the notice of intent to audit,
587 the tolling period provided for in s. 213.345 is considered
588 lifted for the number of days equal to the difference between
589 the date the audit commenced and the 61st day after the date of
590 the department's notice of intent to audit.



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591 (7) The department may adopt rules to administer this
592 section.

593 Section 10. Paragraph (a) of subsection (7) of section
594 212.14, Florida Statutes, is amended to read:

595 212.14 Departmental powers; hearings; distress warrants;
596 bonds; subpoenas and subpoenas duces tecum.—

597 (7) (a) For purposes of collection and enforcement of taxes,
598 penalties, and interest levied under this chapter, the
599 department may issue subpoenas or subpoenas duces tecum
600 compelling the attendance and testimony of witnesses and the
601 production of books, records, written materials, and
602 electronically recorded information. Subpoenas shall be issued
603 with the written and signed approval of the executive director
604 or his or her designee on written and sworn application by any
605 employee of the department. The application must set forth the
606 reason for the application, the name of the person subpoenaed,
607 the time and place of appearance of the witness, and a
608 description of any books, records, or electronically recorded
609 information to be produced, together with a statement by the
610 applicant that the department has unsuccessfully attempted other
611 reasonable means of securing information and that the testimony
612 of the witness or the written or electronically recorded
613 materials sought in the subpoena are necessary for the
614 collection of taxes, penalty, or interest or the enforcement of
615 the taxes levied under this chapter. A subpoena must ~~shall~~ be
616 served in the manner provided by law and by the Florida Rules of
617 Civil Procedure and is ~~shall be~~ returnable only during regular
618 business hours and at least 20 calendar days after the date of
619 service of the subpoena. Any subpoena to which this subsection



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620 applies must ~~shall~~ identify the taxpayer to whom the subpoena
621 relates and to whom the records pertain and must ~~shall~~ provide
622 other information to enable the person subpoenaed to locate the
623 records required under the subpoena. The department shall give
624 notice to the taxpayer to whom the subpoena relates within 3
625 days after ~~of~~ the day on which the service of the subpoena is
626 made. Within 14 days after service of the subpoena, the person
627 to whom the subpoena is directed may serve written objection to
628 inspection or copying of any of the designated materials. If
629 objection is made, the department is ~~shall~~ not ~~be~~ entitled to
630 inspect and copy the materials, except pursuant to an order of
631 the circuit court. If an objection is made, the department may
632 petition any circuit court for an order to comply with the
633 subpoena. The subpoena must ~~shall~~ contain a written notice of
634 the right to object to the subpoena. Every subpoena served upon
635 the witness or records custodian must be accompanied by a copy
636 of ~~the provisions of~~ this subsection. If a person refuses to
637 obey a subpoena or subpoena duces tecum, the department may
638 apply to any circuit court of this state to enforce compliance
639 with the subpoena. Witnesses must ~~shall~~ be paid mileage and
640 witness fees as authorized for witnesses in civil cases. The
641 failure of a taxpayer to provide documents available to, or
642 required to be kept by, the taxpayer and requested by a subpoena
643 issued under this section creates a rebuttable presumption that
644 the resulting proposed final agency action by the department, as
645 to the requested documents, is correct and that the requested
646 documents not produced by the taxpayer would be adverse to the
647 taxpayer's position as to the proposed final agency action. If a
648 taxpayer fails to provide documents requested by a subpoena



649 issued under this section, the department may make an assessment
650 from an estimate based upon the best information then available
651 to it for the taxable period of retail sales of the taxpayer,
652 together with any accrued interest and penalties. The department
653 shall inform the taxpayer of the reason for the estimate and the
654 information and methodology used to derive the estimate. Such
655 assessment shall be deemed prima facie correct, and the burden
656 to show the contrary rests upon the dealer or other person. The
657 presumption and authority to use estimates for the purpose of
658 assessment under this paragraph do not apply solely because a
659 taxpayer or its representative requests a conference to
660 negotiate the production of a sample of records demanded by a
661 subpoena.

662 Section 11. Section 213.051, Florida Statutes, is amended
663 to read:

664 213.051 Service of subpoenas.—

665 (1) For the purpose of administering and enforcing ~~the~~
666 ~~provisions of~~ the revenue laws of this state, the executive
667 director of the Department of Revenue, or any of his or her
668 assistants designated in writing by the executive director, may
669 ~~shall be authorized to~~ serve subpoenas and subpoenas duces tecum
670 issued by the state attorney relating to investigations
671 concerning the taxes enumerated in s. 213.05.

672 (2) In addition to the procedures for service prescribed by
673 chapter 48, the department may serve subpoenas it issues
674 pursuant to ss. 202.36, 206.14, 211.125, 212.14, and 220.735
675 upon any business registered with the department at the address
676 on file with the department if it received correspondence from
677 the business from that address within 30 days after issuance of



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678 the subpoena or if the address is listed with the Department of
679 State Division of Corporations as a principal or business
680 address. If a business' address is not in this state, service is
681 made upon proof of delivery by certified mail or under the
682 notice provisions of s. 213.0537.

683 Section 12. Present subsections (21) and (22) of section
684 213.053, Florida Statutes, are redesignated as subsections (22)
685 and (23), respectively, and a new subsection (21) is added to
686 that section, to read:

687 213.053 Confidentiality and information sharing.-

688 (21) (a) The department may publish a list of dealers whose
689 resale certificates have been suspended pursuant to s.
690 212.13(2) (b). The list may contain the name of the dealer,
691 including the name under which the dealer does business; the
692 address of the dealer; the dealer's employer identification
693 number or other taxpayer identification number; and the date on
694 which the dealer was added to the list.

695 (b) The department shall update the list daily as needed to
696 reflect additions to and deletions from the list.

697 (c) The department may adopt rules to administer this
698 subsection.

699 Section 13. Section 213.06, Florida Statutes, is amended,
700 to read:

701 213.06 Rules of department; circumstances requiring
702 emergency rules.-

703 (1) The Department of Revenue may ~~has the authority to~~
704 adopt rules pursuant to ss. 120.536(1) and 120.54 to implement
705 provisions of the revenue laws.

706 (2) The executive director of the department may adopt



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707 emergency rules pursuant to s. 120.54 on behalf of the
708 department when the effective date of a legislative change
709 occurs sooner than 120 ~~60~~ days after the close of a legislative
710 session in which enacted or after the Governor approves or fails
711 to veto the legislative change, whichever is later, and the
712 change affects a tax rate or a collection or reporting procedure
713 which affects a substantial number of dealers or persons subject
714 to the tax change or procedure. The Legislature finds that such
715 circumstances qualify as an exception to the prerequisite of a
716 finding of immediate danger to the public health, safety, or
717 welfare as set forth in s. 120.54(4)(a) and qualify as
718 circumstances requiring an emergency rule. Emergency rules
719 adopted under this subsection are exempt from s. 120.54(4)(c),
720 remain in effect for 6 months or until replaced by rules adopted
721 under the nonemergency rulemaking procedures of the
722 Administrative Procedure Act, and may be renewed for no more
723 than 3 additional 6-month periods during the pendency of
724 procedures to adopt permanent rules addressing the subject of
725 the emergency rules.

726 (3) The grants of rulemaking authority in subsections (1)
727 and (2) are sufficient to allow the department to adopt rules
728 implementing all revenue laws administered by the department.
729 Each revenue law administered by the department is an enabling
730 statute authorizing the department to implement it, regardless
731 of whether the enabling statute contains its own grant of
732 rulemaking authority.

733 Section 14. Paragraph (b) of subsection (1) and paragraph
734 (a) of subsection (3) of section 213.21, Florida Statutes, are
735 amended, and subsections (11) and (12) are added to that



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736 section, to read:

737 213.21 Informal conferences; compromises.—

738 (1)

739 (b) The statute of limitations upon the issuance of ~~final~~
740 assessments and the period for filing a claim for refund as
741 required by s. 215.26(2) for any transactions occurring during
742 the audit period shall be tolled during the period in which the
743 taxpayer is engaged in a procedure under this section.

744 (3) (a) A taxpayer's liability for any tax or interest
745 specified in s. 72.011(1) may be compromised by the department
746 upon the grounds of doubt as to liability for or collectibility
747 of such tax or interest. A taxpayer's liability for interest
748 under any of the chapters specified in s. 72.011(1) shall be
749 settled or compromised in whole or in part whenever or to the
750 extent that the department determines that the delay in the
751 determination of the amount due is attributable to the action or
752 inaction of the department. A taxpayer's liability for penalties
753 under any of the chapters specified in s. 72.011(1) greater than
754 25 percent of the tax must ~~may~~ be settled or compromised if ~~it~~
755 ~~is determined by~~ the department determines that the
756 noncompliance is not due to ~~reasonable cause and not to~~ willful
757 negligence, willful neglect, or fraud. In addition, a taxpayer's
758 liability for penalties under any of the chapters specified in
759 s. 72.011(1) up to and including 25 percent of the tax may be
760 settled or compromised if the department determines that
761 reasonable cause exists and the penalties greater than 25
762 percent of the tax were compromised because the noncompliance is
763 not due to willful negligence, willful neglect, or fraud. There
764 is a rebuttable presumption that a taxpayer's noncompliance is



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765 due to willful negligence, willful neglect, or fraud when
766 adequate records as requested by the department are not provided
767 to the department before the issuance of an assessment. The
768 presumption may be rebutted by a showing of reasonable cause why
769 adequate records as requested were not provided or were
770 unavailable to the taxpayer. The facts and circumstances are
771 subject to de novo review ~~to determine the existence of~~
772 ~~reasonable cause~~ in any administrative proceeding or judicial
773 action challenging an assessment of penalty under any of the
774 chapters specified in s. 72.011(1). A taxpayer who establishes
775 reasonable reliance on the written advice issued by the
776 department to the taxpayer is ~~will be~~ deemed to have shown
777 reasonable cause for the noncompliance. ~~In addition, a~~
778 ~~taxpayer's liability for penalties under any of the chapters~~
779 ~~specified in s. 72.011(1) in excess of 25 percent of the tax~~
780 ~~shall be settled or compromised if the department determines~~
781 ~~that the noncompliance is due to reasonable cause and not to~~
782 ~~willful negligence, willful neglect, or fraud.~~ The department
783 shall maintain records of all compromises, and the records shall
784 state the basis for the compromise. The records of compromise
785 under this paragraph are ~~shall not be~~ subject to disclosure
786 pursuant to s. 119.07(1) and are ~~shall be~~ considered
787 confidential information governed by ~~the provisions of~~ s.
788 213.053.

789 (11) Following the expiration of time for a taxpayer to
790 challenge an assessment or a denial of a refund as provided in
791 s. 72.011, the department may consider a request to settle or
792 compromise any tax, interest, penalty, or other liability under
793 this section if the taxpayer demonstrates that the failure to



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794 initiate a timely challenge was due to a qualified event that
795 directly impacted compliance with that section. For purposes of
796 this subsection, a qualified event is limited to the occurrence
797 of events during an audit or the expired protest period which
798 were beyond the control of the taxpayer, including the death or
799 life-threatening injury or illness of the taxpayer or an
800 immediate family member of the taxpayer; the death or life-
801 threatening injury or illness of the responsible party that
802 controlled, managed, or directed the affected business entity;
803 acts of war or terrorism; natural disasters; fire; or other
804 catastrophic loss. The department may not consider a request
805 received more than 180 days after the expiration of time allowed
806 under s. 72.011.

807 (12) Any decision by the department regarding a taxpayer's
808 request to compromise or settle a liability under this section
809 is not a final order subject to review under chapter 120.

810 Section 15. Section 213.34, Florida Statutes, is amended to
811 read:

812 213.34 Authority to audit.-

813 (1) The Department of Revenue ~~may shall have the authority~~
814 ~~to~~ audit and examine the accounts, books, or records of all
815 persons ~~who are~~ subject to a revenue law made applicable to this
816 chapter, or otherwise placed under the control and
817 administration of the department, for the purpose of
818 ascertaining the correctness of any return which has been filed
819 or payment which has been made, or for the purpose of making a
820 return where none has been made.

821 (2) The department, or its duly authorized agents, may
822 inspect such books and records necessary to ascertain a



823 taxpayer's compliance with the revenue laws of this state,
824 provided that the department's power to make an assessment or
825 grant a refund has not terminated under s. 95.091(3).

826 (a) During the course of an audit, but before the issuance
827 of an assessment other than a jeopardy assessment, the
828 department shall issue to the taxpayer a notice explaining the
829 audit findings. No later than 30 days after the issuance of the
830 notice, the taxpayer may request in writing an exit conference
831 at a mutually agreeable date and time with the department's
832 audit staff to discuss the audit findings. The exit conference
833 must be conducted no later than 30 days after a request for the
834 conference, unless the taxpayer and the department enter into an
835 agreement to extend the audit tolling period pursuant to s.
836 213.23. The taxpayer shall be given an opportunity at or before
837 the exit conference to provide additional information and
838 documents to the department to rebut the audit findings. Upon
839 the mutual written agreement between the department and the
840 taxpayer to extend the audit tolling period pursuant to s.
841 213.23, the exit conference may be continued to allow the
842 taxpayer additional time to provide information and documents to
843 the department. The department shall review any information
844 provided by the taxpayer and, if the department revises the
845 audit findings, a copy of the revised audit findings must be
846 provided to the taxpayer. Such revision of the audit findings
847 does not provide a right to any additional conference.

848 (b) If an exit conference is timely requested in writing,
849 the limitations in s. 95.091(3) are tolled an additional 60
850 days. If the department fails to offer a taxpayer the
851 opportunity to hold an exit conference despite a timely written



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852 request, the limitations period in s. 95.091(3) may not be
853 tolled for the additional 60 days. If the assessment is issued
854 outside of the limitations period, the assessment must be
855 reduced by the amount of those taxes, penalties, and interest
856 for reporting periods outside of the limitations period, as
857 modified by any other tolling or extension provisions.

858 (c) If a request for an exit conference is not timely made,
859 the right to a conference is waived. A taxpayer may also
860 affirmatively waive its right to an exit conference. Failure to
861 hold an exit conference does not preclude the department from
862 issuing an assessment.

863 (d) The department may adopt rules to implement this
864 subsection.

865 (3) The department may correct by credit or refund any
866 overpayment of tax, penalty, or interest revealed by an audit
867 and shall make assessment of any deficiency in tax, penalty, or
868 interest determined to be due.

869 (4) Notwithstanding ~~the provisions of~~ s. 215.26, the
870 department shall offset the overpayment of any tax during an
871 audit period against a deficiency of any tax, penalty, or
872 interest determined to be due during the same audit period.

873 (5) After the application of subsection (4), if the
874 department's audit finds that the tax paid is more than the
875 correct amount, the department must refund the overpayment that
876 is within the applicable period provided by s. 215.26. Such
877 action by the department does not prevent a taxpayer from
878 challenging the amount of the refund pursuant to chapters 72 and
879 120 or applying for a refund of additional tax within the
880 applicable period.



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881 Section 16. Section 213.345, Florida Statutes, is amended
882 to read:

883 213.345 Tolling of periods during an audit.—The limitations
884 in s. 95.091(3) and the period for filing a claim for refund as
885 required by s. 215.26(2) are shall be tolled for a period of 1
886 year if the Department of Revenue has, on or after July 1, 1999,
887 issued a notice of intent to conduct an audit or investigation
888 of the taxpayer's account within the applicable period of time.
889 The 1-year period is tolled upon receipt of written objections
890 to the subpoena and for the entire pendency of any action that
891 seeks an order to enforce compliance with or to challenge any
892 subpoena issued by the department compelling the attendance and
893 testimony of witnesses and the production of books, records,
894 written materials, and electronically recorded information. The
895 department must commence an audit within 120 days after it
896 issues a notice of intent to conduct an audit, unless the
897 taxpayer requests a delay. If the taxpayer does not request a
898 delay and the department does not begin the audit within 120
899 days after issuing the notice, the tolling period terminates
900 ~~shall terminate~~ unless the taxpayer and the department enter
901 into an agreement to extend the period pursuant to s. 213.23. If
902 the department issues a notice explaining its audit findings
903 under s. 213.34(2) (a) based on an estimate because the taxpayer
904 has failed or refuses to provide records, the audit will be
905 deemed to have commenced for purposes of this section. In the
906 event the department issues an assessment beyond the tolling
907 period, the assessment will be considered late and the
908 assessment shall be reduced by the amount of those taxes,
909 penalties, and interest for reporting periods outside of the



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910 limitations period, as modified by any other tolling or
911 extension provisions.

912 Section 17. Subsections (1), (3), and (6) of section
913 213.67, Florida Statutes, are amended to read:

914 213.67 Garnishment.—

915 (1) If a person is delinquent in the payment of any taxes,
916 penalties, and interest, additional daily accrued interest,
917 costs, and fees owed to the department, the executive director
918 or his or her designee may give notice of the amount of such
919 delinquency by registered mail, by personal service, or by
920 electronic means, including, but not limited to, facsimile
921 transmissions, electronic data interchange, or use of the
922 Internet, to all persons having in their possession or under
923 their control any credits or personal property, exclusive of
924 wages, belonging to the delinquent taxpayer, or owing any debts
925 to such delinquent taxpayer at the time of receipt by them of
926 such notice. Thereafter, any person ~~who has been~~ notified may
927 not transfer or make any other disposition of such credits,
928 other personal property, or debts until the executive director
929 or his or her designee consents to a transfer or disposition or
930 until 60 days after the receipt of such notice. However, the
931 credits, other personal property, or debts that exceed the
932 delinquent amount stipulated in the notice are not subject to
933 this section, wherever held, if the taxpayer does not have a
934 prior history of tax delinquencies. If during the effective
935 period of the notice to withhold, any person so notified makes
936 any transfer or disposition of the property or debts required to
937 be withheld under this section, he or she is liable to the state
938 for any indebtedness owed to the department by the person with



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939 respect to whose obligation the notice was given to the extent
940 of the value of the property or the amount of the debts thus
941 transferred or paid if, solely by reason of such transfer or
942 disposition, the state is unable to recover the indebtedness of
943 the person with respect to whose obligation the notice was
944 given. If the delinquent taxpayer contests the intended levy in
945 circuit court or under chapter 120, the notice under this
946 section remains effective until that final resolution of the
947 contest. Any financial institution receiving such notice
948 maintains ~~will maintain~~ a right of setoff for any transaction
949 involving a debit card occurring on or before the date of
950 receipt of such notice.

951 (3) During the last 30 days of the 60-day period set forth
952 in subsection (1), the executive director or his or her designee
953 may levy upon such credits, other personal property, or debts.
954 The levy must be accomplished by delivery of a notice of levy by
955 registered mail, by personal service, or by electronic means,
956 including, but not limited to, facsimile transmission or
957 electronic data exchange. Upon receipt of the notice of levy,
958 ~~which~~ the person possessing the credits, other personal
959 property, or debts shall transfer them to the department or pay
960 to the department the amount owed to the delinquent taxpayer.

961 (6) (a) Levy may be made under subsection (3) upon credits,
962 other personal property, or debt of any person with respect to
963 any unpaid tax, penalties, ~~and~~ interest, additional daily
964 accrued interest, costs, and fees only after the executive
965 director or his or her designee has notified such person in
966 writing of the intention to make such levy.

967 (b) No less than 30 days before the day of the levy, the



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968 notice of intent to levy required under paragraph (a) must ~~shall~~
969 be given in person or sent by certified or registered mail to
970 the person's last known address.

971 (c) The notice required in paragraph (a) must include a
972 brief statement that sets forth in simple and nontechnical
973 terms:

974 1. The provisions of this section relating to levy and sale
975 of property;

976 2. The procedures applicable to the levy under this
977 section;

978 3. The administrative and judicial appeals available to the
979 taxpayer with respect to such levy and sale, and the procedures
980 relating to such appeals; and

981 4. Any ~~The alternatives, if any,~~ available to taxpayers
982 which could prevent levy on the property.

983 Section 18. Section 220.42, Florida Statutes, is amended to
984 read:

985 220.42 Methods of accounting.—

986 (1) For purposes of this code, a taxpayer's method of
987 accounting must ~~shall~~ be the same as such taxpayer's method of
988 accounting for federal income tax purposes, ~~except as provided~~
989 ~~in subsection (3)~~. If no method of accounting has been regularly
990 used by a taxpayer, net income for purposes of this code must
991 ~~shall~~ be computed by the such method that as in the opinion of
992 the department determines most fairly reflects income.

993 (2) If a taxpayer's method of accounting is changed for
994 federal income tax purposes, the taxpayer's method of accounting
995 for purposes of this code must ~~shall~~ be similarly changed.

996 ~~(3) Any taxpayer which has elected for federal income tax~~



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997 ~~purposes to report any portion of its income on the completed~~
998 ~~contract method of accounting under Treasury Regulation 1.451-~~
999 ~~3(b)(2) may elect to return the income so reported on the~~
1000 ~~percentage of completion method of accounting under Treasury~~
1001 ~~Regulation 1.451-3(b)(1), provided the taxpayer regularly~~
1002 ~~maintains its books of account and reports to its shareholders~~
1003 ~~on the percentage of completion method. The election provided by~~
1004 ~~this subsection shall be allowed only if it is made, in such~~
1005 ~~manner as the department may prescribe, not later than the due~~
1006 ~~date, including any extensions thereof, for filing a return for~~
1007 ~~the taxpayer's first taxable year under this code in which a~~
1008 ~~portion of its income is returned on the completed contract~~
1009 ~~method of accounting for federal tax purposes. An election made~~
1010 ~~pursuant to this subsection shall apply to all subsequent~~
1011 ~~taxable years of the taxpayers unless the department consents in~~
1012 ~~writing to its revocation.~~

1013 Section 19. Subsection (4) is added to section 220.735,
1014 Florida Statutes, to read:

1015 220.735 Production of witnesses and records.—

1016 (4) The failure of a taxpayer to provide documents
1017 available to, or required to be kept by, the taxpayer and
1018 requested by a subpoena issued under this section creates a
1019 rebuttable presumption that the resulting proposed final agency
1020 action by the department, as to the requested documents, is
1021 correct and that the requested documents not produced by the
1022 taxpayer would be adverse to the taxpayer's position as to the
1023 proposed final agency action. If a taxpayer fails to provide
1024 documents requested by a subpoena issued under this section, the
1025 department may determine the amount of tax due according to its



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1026 best judgement and may issue a notice of deficiency to the
1027 taxpayer, setting forth the amount of tax, interest, and any
1028 penalties proposed to be assessed. The department shall inform
1029 the taxpayer of the reason for the estimate and the information
1030 and methodology used to derive the estimate. Such assessment
1031 shall be prima facie correct, and the burden to show the
1032 contrary rests upon the taxpayer.

1033 Section 20. Paragraph (e) of subsection (3) of section
1034 443.131, Florida Statutes, is amended to read:

1035 443.131 Contributions.—

1036 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
1037 EXPERIENCE.—

1038 (e) *Assignment of variations from the standard rate.*—

1039 1. As used in this paragraph, the terms “total benefit
1040 payments,” “benefits paid to an individual,” and “benefits
1041 charged to the employment record of an employer” mean the amount
1042 of benefits paid to individuals multiplied by:

1043 a. For benefits paid before ~~prior to~~ July 1, 2007, 1.

1044 b. For benefits paid during the period beginning on July 1,
1045 2007, and ending March 31, 2011, 0.90.

1046 c. For benefits paid after March 31, 2011, 1.

1047 d. For benefits paid during the period beginning April 1,
1048 2020, and ending December 31, 2020, 0.

1049 e. For benefits paid during the period beginning January 1,
1050 2021, and ending June 30, 2021, 1, except as otherwise adjusted
1051 in accordance with paragraph (f).

1052 2. For the calculation of contribution rates effective
1053 January 1, 2012, and thereafter:

1054 a. The tax collection service provider shall assign a



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1055 variation from the standard rate of contributions for each
1056 calendar year to each eligible employer. In determining the
1057 contribution rate, varying from the standard rate to be assigned
1058 each employer, adjustment factors computed under sub-sub-
1059 subparagraphs (I)-(IV) are added to the benefit ratio. This
1060 addition shall be accomplished in two steps by adding a variable
1061 adjustment factor and a final adjustment factor. The sum of
1062 these adjustment factors computed under sub-sub-subparagraphs
1063 (I)-(IV) shall first be algebraically summed. The sum of these
1064 adjustment factors shall next be divided by a gross benefit
1065 ratio determined as follows: Total benefit payments for the 3-
1066 year period described in subparagraph (b)3. are charged to
1067 employers eligible for a variation from the standard rate, minus
1068 excess payments for the same period, divided by taxable payroll
1069 entering into the computation of individual benefit ratios for
1070 the calendar year for which the contribution rate is being
1071 computed. The ratio of the sum of the adjustment factors
1072 computed under sub-sub-subparagraphs (I)-(IV) to the gross
1073 benefit ratio is multiplied by each individual benefit ratio
1074 that is less than the maximum contribution rate to obtain
1075 variable adjustment factors; except that if the sum of an
1076 employer's individual benefit ratio and variable adjustment
1077 factor exceeds the maximum contribution rate, the variable
1078 adjustment factor is reduced in order for the sum to equal the
1079 maximum contribution rate. The variable adjustment factor for
1080 each of these employers is multiplied by his or her taxable
1081 payroll entering into the computation of his or her benefit
1082 ratio. The sum of these products is divided by the taxable
1083 payroll of the employers who entered into the computation of



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1084 their benefit ratios. The resulting ratio is subtracted from the
1085 sum of the adjustment factors computed under sub-sub-
1086 subparagraphs (I)-(IV) to obtain the final adjustment factor.
1087 The variable adjustment factors and the final adjustment factor
1088 must be computed to five decimal places and rounded to the
1089 fourth decimal place. This final adjustment factor is added to
1090 the variable adjustment factor and benefit ratio of each
1091 employer to obtain each employer's contribution rate. An
1092 employer's contribution rate may not, however, be rounded to
1093 less than 0.1 percent. In determining the contribution rate,
1094 varying from the standard rate to be assigned, the computation
1095 shall exclude any benefit that is excluded by the multipliers
1096 under subparagraph (b)2. and subparagraph 1. for rates effective
1097 January 1, 2021, through December 31, 2025, notwithstanding the
1098 repeal of subparagraph 5. as provided in chapter 2021-2, Laws of
1099 Florida. The computation of the contribution rate, varying from
1100 the standard rate to be assigned, shall also exclude any benefit
1101 paid as a result of a governmental order related to COVID-19 to
1102 close or reduce capacity of a business. In addition, the
1103 contribution rate for the 2021 and 2022 calendar years shall be
1104 calculated without the application of the positive adjustment
1105 factor in sub-sub-subparagraph (III).

1106 (I) An adjustment factor for noncharge benefits is computed
1107 to the fifth decimal place and rounded to the fourth decimal
1108 place by dividing the amount of noncharge benefits during the 3-
1109 year period described in subparagraph (b)3. by the taxable
1110 payroll of employers eligible for a variation from the standard
1111 rate who have a benefit ratio for the current year which is less
1112 than the maximum contribution rate. For purposes of computing



1113 this adjustment factor, the taxable payroll of these employers
1114 is the taxable payrolls for the 3 years ending June 30 of the
1115 current calendar year as reported to the tax collection service
1116 provider by September 30 of the same calendar year. As used in
1117 this sub-sub-subparagraph, the term "noncharge benefits" means
1118 benefits paid to an individual, as adjusted pursuant to
1119 subparagraph (b)2. and subparagraph 1., from the Unemployment
1120 Compensation Trust Fund which were not charged to the employment
1121 record of any employer, but excluding any benefit paid as a
1122 result of a governmental order related to COVID-19 to close or
1123 reduce capacity of a business.

1124 (II) An adjustment factor for excess payments is computed
1125 to the fifth decimal place, and rounded to the fourth decimal
1126 place by dividing the total excess payments during the 3-year
1127 period described in subparagraph (b)3. by the taxable payroll of
1128 employers eligible for a variation from the standard rate who
1129 have a benefit ratio for the current year which is less than the
1130 maximum contribution rate. For purposes of computing this
1131 adjustment factor, the taxable payroll of these employers is the
1132 same figure used to compute the adjustment factor for noncharge
1133 benefits under sub-sub-subparagraph (I). As used in this sub-
1134 subparagraph, the term "excess payments" means the amount of
1135 benefits charged to the employment record of an employer, as
1136 adjusted pursuant to subparagraph (b)2. and subparagraph 1.,
1137 during the 3-year period described in subparagraph (b)3., but
1138 excluding any benefit paid as a result of a governmental order
1139 related to COVID-19 to close or reduce capacity of a business,
1140 less the product of the maximum contribution rate and the
1141 employer's taxable payroll for the 3 years ending June 30 of the



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1142 current calendar year as reported to the tax collection service
1143 provider by September 30 of the same calendar year. As used in
1144 this sub-sub-subparagraph, the term "total excess payments"
1145 means the sum of the individual employer excess payments for
1146 those employers that were eligible for assignment of a
1147 contribution rate different from the standard rate.

1148 (III) With respect to computing a positive adjustment
1149 factor:

1150 (A) Beginning January 1, 2012, if the balance of the
1151 Unemployment Compensation Trust Fund on September 30 of the
1152 calendar year immediately preceding the calendar year for which
1153 the contribution rate is being computed is less than 4 percent
1154 of the taxable payrolls for the year ending June 30 as reported
1155 to the tax collection service provider by September 30 of that
1156 calendar year, a positive adjustment factor shall be computed.
1157 The positive adjustment factor is computed annually to the fifth
1158 decimal place and rounded to the fourth decimal place by
1159 dividing the sum of the total taxable payrolls for the year
1160 ending June 30 of the current calendar year as reported to the
1161 tax collection service provider by September 30 of that calendar
1162 year into a sum equal to one-fifth of the difference between the
1163 balance of the fund as of September 30 of that calendar year and
1164 the sum of 5 percent of the total taxable payrolls for that
1165 year. The positive adjustment factor remains in effect for
1166 subsequent years until the balance of the Unemployment
1167 Compensation Trust Fund as of September 30 of the year
1168 immediately preceding the effective date of the contribution
1169 rate equals or exceeds 4 percent of the taxable payrolls for the
1170 year ending June 30 of the current calendar year as reported to



1171 the tax collection service provider by September 30 of that
1172 calendar year.

1173 (B) Beginning January 1, 2018, and for each year
1174 thereafter, the positive adjustment shall be computed by
1175 dividing the sum of the total taxable payrolls for the year
1176 ending June 30 of the current calendar year as reported to the
1177 tax collection service provider by September 30 of that calendar
1178 year into a sum equal to one-fourth of the difference between
1179 the balance of the fund as of September 30 of that calendar year
1180 and the sum of 5 percent of the total taxable payrolls for that
1181 year. The positive adjustment factor remains in effect for
1182 subsequent years until the balance of the Unemployment
1183 Compensation Trust Fund as of September 30 of the year
1184 immediately preceding the effective date of the contribution
1185 rate equals or exceeds 4 percent of the taxable payrolls for the
1186 year ending June 30 of the current calendar year as reported to
1187 the tax collection service provider by September 30 of that
1188 calendar year.

1189 (IV) If, beginning January 1, 2015, and each year
1190 thereafter, the balance of the Unemployment Compensation Trust
1191 Fund as of September 30 of the year immediately preceding the
1192 calendar year for which the contribution rate is being computed
1193 exceeds 5 percent of the taxable payrolls for the year ending
1194 June 30 of the current calendar year as reported to the tax
1195 collection service provider by September 30 of that calendar
1196 year, a negative adjustment factor must be computed. The
1197 negative adjustment factor shall be computed annually beginning
1198 on January 1, 2015, and each year thereafter, to the fifth
1199 decimal place and rounded to the fourth decimal place by



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1200 dividing the sum of the total taxable payrolls for the year
1201 ending June 30 of the current calendar year as reported to the
1202 tax collection service provider by September 30 of the calendar
1203 year into a sum equal to one-fourth of the difference between
1204 the balance of the fund as of September 30 of the current
1205 calendar year and 5 percent of the total taxable payrolls of
1206 that year. The negative adjustment factor remains in effect for
1207 subsequent years until the balance of the Unemployment
1208 Compensation Trust Fund as of September 30 of the year
1209 immediately preceding the effective date of the contribution
1210 rate is less than 5 percent, but more than 4 percent of the
1211 taxable payrolls for the year ending June 30 of the current
1212 calendar year as reported to the tax collection service provider
1213 by September 30 of that calendar year. The negative adjustment
1214 authorized by this section is suspended in any calendar year in
1215 which repayment of the principal amount of an advance received
1216 from the federal Unemployment Compensation Trust Fund under 42
1217 U.S.C. s. 1321 is due to the Federal Government.

1218 (V) The maximum contribution rate that may be assigned to
1219 an employer is 5.4 percent, except employers participating in an
1220 approved short-time compensation plan may be assigned a maximum
1221 contribution rate that is 1 percent greater than the maximum
1222 contribution rate for other employers in any calendar year in
1223 which short-time compensation benefits are charged to the
1224 employer's employment record.

1225 (VI) As used in this subsection, "taxable payroll" shall be
1226 determined by excluding any part of the remuneration paid to an
1227 individual by an employer for employment during a calendar year
1228 in excess of the first \$7,000. Beginning January 1, 2012,



1229 "taxable payroll" shall be determined by excluding any part of
1230 the remuneration paid to an individual by an employer for
1231 employment during a calendar year as described in s.
1232 443.1217(2). For the purposes of the employer rate calculation
1233 that will take effect in January 1, 2012, and in January 1,
1234 2013, the tax collection service provider shall use the data
1235 available for taxable payroll from 2009 based on excluding any
1236 part of the remuneration paid to an individual by an employer
1237 for employment during a calendar year in excess of the first
1238 \$7,000, and from 2010 and 2011, the data available for taxable
1239 payroll based on excluding any part of the remuneration paid to
1240 an individual by an employer for employment during a calendar
1241 year in excess of the first \$8,500.

1242 b. If the transfer of an employer's employment record to an
1243 employing unit under paragraph (g) which, before the transfer,
1244 was an employer, the tax collection service provider shall
1245 recompute a benefit ratio for the successor employer based on
1246 the combined employment records and reassign an appropriate
1247 contribution rate to the successor employer effective on the
1248 first day of the calendar quarter immediately after the
1249 effective date of the transfer.

1250 3. The tax collection service provider shall reissue rates
1251 for the 2021 calendar year. However, an employer shall continue
1252 to timely file its employer's quarterly reports and pay the
1253 contributions due in a timely manner in accordance with the
1254 rules of the Department of Economic Opportunity. The Department
1255 of Revenue shall post the revised rates on its website to enable
1256 employers to securely review the revised rates. For
1257 contributions for the first quarter of the 2021 calendar year,



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1258 if any employer remits to the tax collection service provider an
1259 amount in excess of the amount that would be due as calculated
1260 pursuant to this paragraph, the tax collection service provider
1261 shall refund the excess amount from the amount erroneously
1262 collected. Notwithstanding s. 443.141(6), refunds issued through
1263 August 31, 2021, for first quarter 2021 contributions must be
1264 paid from the General Revenue Fund.

1265 4. The tax collection service provider shall calculate and
1266 assign contribution rates effective January 1, 2022, through
1267 December 31, 2022, excluding any benefit charge that is excluded
1268 by the multipliers under subparagraph (b)2. and subparagraph 1.;
1269 without the application of the positive adjustment factor in
1270 sub-sub-subparagraph 2.a.(III); and without the inclusion of any
1271 benefit charge directly related to COVID-19 as a result of a
1272 governmental order to close or reduce capacity of a business, as
1273 determined by the Department of Economic Opportunity, for each
1274 employer ~~who is~~ eligible for a variation from the standard rate
1275 pursuant to paragraph (d). The Department of Economic
1276 Opportunity shall provide the tax collection service provider
1277 with all necessary benefit charge information by August 1, 2021,
1278 including specific information for adjustments related to COVID-
1279 19 charges resulting from a governmental order to close or
1280 reduce capacity of a business, to enable the tax collection
1281 service provider to calculate and issue tax rates effective
1282 January 1, 2022. The tax collection service provider shall
1283 calculate and post rates for the 2022 calendar year by March 1,
1284 2022.

1285 5. Subject to subparagraph 6., the tax collection service
1286 provider shall calculate and assign contribution rates effective



1287 January 1, 2023, through December 31, 2025, excluding any
1288 benefit charge that is excluded by the multipliers under
1289 subparagraph (b)2. and subparagraph 1.; without the application
1290 of the positive adjustment factor in sub-sub-subparagraph
1291 2.a.(III); and without the inclusion of any benefit charge
1292 directly related to COVID-19 as a result of a governmental order
1293 to close or reduce capacity of a business, as determined by the
1294 Department of Economic Opportunity, for each employer ~~who is~~
1295 eligible for a variation from the standard rate pursuant to
1296 paragraph (d). The Department of Economic Opportunity shall
1297 provide the tax collection service provider with all necessary
1298 benefit charge information by August 1 of each year, including
1299 specific information for adjustments related to COVID-19 charges
1300 resulting from a governmental order to close or reduce capacity
1301 of a business, to enable the tax collection service provider to
1302 calculate and issue tax rates effective the following January.

1303 6. If the balance of the Unemployment Compensation Trust
1304 Fund on June 30 of any year exceeds \$4,071,519,600, subparagraph
1305 5. is repealed for rates effective the following years. The
1306 Office of Economic and Demographic Research shall advise the tax
1307 collection service provider of the balance of the trust fund on
1308 June 30 by August 1 of that year. After the repeal of
1309 subparagraph 5. and notwithstanding the dates specified in that
1310 subparagraph, the tax collection service provider shall
1311 calculate and assign contribution rates for each subsequent
1312 calendar year as otherwise provided in this section.

1313 Section 21. Paragraph (a) of subsection (9) of section
1314 443.171, Florida Statutes, is amended to read:

1315 443.171 Department of Economic Opportunity and commission;



1316 powers and duties; records and reports; proceedings; state-
1317 federal cooperation.—

1318 (9) STATE-FEDERAL COOPERATION.—

1319 (a)1. In the administration of this chapter, the Department
1320 of Economic Opportunity and its tax collection service provider
1321 shall cooperate with the United States Department of Labor to
1322 the fullest extent consistent with this chapter and shall take
1323 those actions, through the adoption of appropriate rules,
1324 administrative methods, and standards, necessary to secure for
1325 this state all advantages available under the provisions of
1326 federal law relating to reemployment assistance.

1327 2. In the administration of the provisions in s. 443.1115,
1328 which are enacted to conform with the Federal-State Extended
1329 Unemployment Compensation Act of 1970, the department shall take
1330 those actions necessary to ensure that those provisions are
1331 interpreted and applied to meet the requirements of the federal
1332 act as interpreted by the United States Department of Labor and
1333 to secure for this state the full reimbursement of the federal
1334 share of extended benefits paid under this chapter which is
1335 reimbursable under the federal act.

1336 3. The department and its tax collection service provider
1337 shall comply with the regulations of the United States
1338 Department of Labor relating to the receipt or expenditure by
1339 this state of funds granted under federal law; shall submit the
1340 reports in the form and containing the information the United
1341 States Department of Labor requires; and shall comply with
1342 directions of the United States Department of Labor necessary to
1343 assure the correctness and verification of these reports.

1344 4. The department and its tax collection service provider



1345 shall comply with the requirements of the federal Treasury
1346 Offset Program as it pertains to the recovery of unemployment
1347 compensation debts as required by the United States Department
1348 of Labor pursuant to 26 U.S.C. s. 6402. The department or the
1349 tax collection service provider may adopt rules to implement
1350 this subparagraph.

1351 Section 22. This act shall take effect July 1, 2022.

1352
1353 ===== T I T L E A M E N D M E N T =====

1354 And the title is amended as follows:

1355 Delete everything before the enacting clause
1356 and insert:

1357 A bill to be entitled
1358 An act relating to tax administration; amending s.
1359 72.011, F.S.; prohibiting taxpayers from submitting
1360 certain records in tax proceedings under certain
1361 circumstances; amending s. 120.80, F.S.; prohibiting
1362 taxpayers from submitting certain records in tax
1363 proceedings under certain circumstances; amending s.
1364 202.34, F.S.; authorizing the Department of Revenue to
1365 respond to contact initiated by taxpayers to discuss
1366 audits; authorizing taxpayers to provide records and
1367 other information to the department; authorizing the
1368 department to examine documentation and other
1369 information; providing construction; requiring
1370 taxpayers to object to premature audits within a
1371 certain timeframe; providing that a tolling period is
1372 considered lifted under certain circumstances;
1373 authorizing the department to adopt rules; amending



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1374 ss. 202.36, 206.14, 211.125, 212.14, and 220.735,
1375 F.S.; creating rebuttable presumptions regarding
1376 proposed final agency action by the department;
1377 authorizing the department to make assessments and
1378 determine taxes using specified methods under certain
1379 circumstances; requiring the department to inform the
1380 taxpayer of certain information; providing
1381 construction; amending s. 206.9931, F.S.; deleting
1382 obsolete language; amending s. 212.05, F.S.;
1383 clarifying conditions for application of an exemption
1384 for sales taxes for certain nonresident purchasers of
1385 boats or aircraft; revising requirements for an
1386 affidavit; amending s. 212.13, F.S.; defining the
1387 terms "dealer," "division," and "transferor";
1388 requiring dealers to maintain specified records;
1389 authorizing the department to issue written requests
1390 for such records under certain circumstances;
1391 authorizing the department to suspend resale
1392 certificates issued to dealers under certain
1393 circumstances; specifying procedures for suspension of
1394 resale certificates; providing construction; requiring
1395 the department to notify the Division of Alcoholic
1396 Beverages and Tobacco of the Department of Business
1397 and Professional Regulation and dealers upon dealers'
1398 failure to comply with department requests for
1399 records; requiring the department to publish certain
1400 information regarding dealers with suspended resale
1401 certificates; authorizing transferors to discontinue
1402 accepting orders from dealers with suspended resale



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1403 certificates within a specified timeframe; providing
1404 construction; authorizing the department to adopt
1405 rules; authorizing the department to respond to
1406 contact initiated by taxpayers to discuss audits;
1407 authorizing taxpayers to provide records and other
1408 information; authorizing the department to examine
1409 documentation and other information; providing
1410 construction; requiring taxpayers to object in writing
1411 to premature audits within a certain timeframe;
1412 providing that a tolling period is considered lifted
1413 under certain circumstances; authorizing the
1414 department to adopt rules; amending s. 213.051, F.S.;
1415 authorizing the department to serve subpoenas on
1416 businesses registered with the department; providing
1417 construction; amending s. 215.053, F.S.; authorizing
1418 the department to publish certain information
1419 regarding dealers with suspended resale certificates;
1420 requiring the department to update such information;
1421 authorizing the department to adopt rules; amending s.
1422 213.06, F.S.; revising the period in which, and
1423 conditions under which, the executive director of the
1424 department may adopt emergency rules; providing for an
1425 exemption from the Administrative Procedure Act for
1426 any such emergency rules; specifying conditions
1427 regarding the effectiveness and the renewal of
1428 emergency rules; providing construction; amending s.
1429 213.21, F.S.; providing for tolling of the statute of
1430 limitations upon the issuance of assessments, rather
1431 than final assessments; authorizing a taxpayer's



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1432 liability to be settled or compromised under certain
1433 circumstances; creating a rebuttable presumption;
1434 conforming a provision to changes made by the act;
1435 specifying the conditions for the department to
1436 consider requests to settle or compromise any tax,
1437 interest, penalty, or other liability; providing
1438 construction; amending s. 213.34, F.S.; revising audit
1439 procedures of the department; authorizing the
1440 department to adopt rules; requiring the department to
1441 refund any overpayments; amending s. 213.345, F.S.;
1442 specifying conditions under which a period is tolled
1443 during an audit; providing construction; amending s.
1444 213.67, F.S.; authorizing the executive director of
1445 the department or his or her designee to include
1446 additional daily accrued interest, costs, and fees in
1447 a garnishment levy notice; revising methods for
1448 delivery of levy notices; amending s. 220.42, F.S.;
1449 deleting obsolete language; amending s. 443.131, F.S.;
1450 excluding certain benefit charges from the employer
1451 reemployment assistance contribution rate calculation;
1452 amending s. 443.171, F.S.; requiring the department
1453 and its tax collection service provider to comply with
1454 requirements of the federal Treasury Offset Program;
1455 authorizing the department or the tax collection
1456 service provider to adopt rules; providing an
1457 effective date.

By Senator Gruters

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1 A bill to be entitled
 2 An act relating to tax administration; amending s.
 3 72.011, F.S.; prohibiting taxpayers from submitting
 4 certain records in tax proceedings under certain
 5 circumstances; amending s. 120.80, F.S.; prohibiting
 6 taxpayers from submitting certain records in tax
 7 proceedings under certain circumstances; specifying
 8 procedures relating to challenges to certain agency
 9 statements; amending s. 201.02, F.S.; clarifying
 10 existing law relating to establishing consideration
 11 before the transfer of real property; requiring the
 12 Department of Revenue to adopt rules; amending s.
 13 202.34, F.S.; authorizing the department to respond to
 14 contact initiated by taxpayers to discuss audits;
 15 authorizing taxpayers to provide records and other
 16 information to the department; authorizing the
 17 department to examine documentation and other
 18 information; providing construction; requiring
 19 taxpayers to object to premature audits within a
 20 certain timeframe; providing that a tolling period is
 21 considered lifted under certain circumstances;
 22 authorizing the department to adopt rules; amending s.
 23 202.36, F.S.; creating a presumption regarding
 24 proposed final agency action by the department;
 25 authorizing the department to create estimates for
 26 purposes of assessment under certain circumstances;
 27 providing construction; amending ss. 206.14, 211.125,
 28 212.14, and 220.735, F.S.; creating presumptions
 29 regarding proposed final agency action by the

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30 department; authorizing the department to create
 31 estimates for purposes of assessment under certain
 32 circumstances; amending s. 206.9931, F.S.; deleting
 33 obsolete language; amending s. 212.05, F.S.;
 34 clarifying conditions for application of an exemption
 35 for sales taxes for certain nonresident purchasers of
 36 boats or aircraft; revising requirements for an
 37 affidavit; amending s. 212.08, F.S.; deleting a tax
 38 exemption for building materials used in the
 39 rehabilitation of real property located in an
 40 enterprise zone; conforming provisions to changes made
 41 by the act; amending s. 212.13, F.S.; requiring
 42 certain dealers to maintain specified records;
 43 providing construction; requiring the department to
 44 notify the Division of Alcoholic Beverages and Tobacco
 45 of the Department of Business and Professional
 46 Regulation and dealers upon dealers' failure to comply
 47 with department requests for records; authorizing the
 48 department to suspend resale certificates issued to
 49 dealers under certain circumstances; authorizing
 50 dealers to apply for administrative hearings under
 51 certain circumstances; authorizing the department to
 52 respond to contact initiated by taxpayers to discuss
 53 audits; authorizing taxpayers to provide records and
 54 other information; authorizing the department to
 55 examine documentation and other information; providing
 56 construction; requiring taxpayers to object to
 57 premature audits within a certain timeframe; providing
 58 that a tolling period is considered lifted under

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59 certain circumstances; authorizing the department to
 60 adopt rules; amending s. 213.051, F.S.; authorizing
 61 the department to serve subpoenas on businesses
 62 registered with the department; providing
 63 construction; amending s. 213.06, F.S.; revising the
 64 period in which, and conditions under which, the
 65 executive director of the department may adopt
 66 emergency rules; providing for an exemption from the
 67 Administrative Procedure Act for any such emergency
 68 rules; specifying conditions regarding the
 69 effectiveness and the renewal of emergency rules;
 70 providing construction; amending s. 213.21, F.S.;
 71 providing for tolling of the statute of limitations
 72 upon the issuance of assessments, rather than final
 73 assessments; authorizing a taxpayer's liability to be
 74 settled or compromised under certain circumstances;
 75 creating a rebuttable presumption; conforming a
 76 provision to changes made by the act; specifying the
 77 conditions for the department to consider requests to
 78 settle or compromise any tax, interest, penalty, or
 79 other liability; providing construction; amending s.
 80 213.34, F.S.; revising audit procedures of the
 81 department; authorizing the department to adopt rules;
 82 requiring the department to refund any overpayments;
 83 amending s. 213.345, F.S.; specifying conditions under
 84 which a period is tolled during an audit; providing
 85 construction; amending s. 213.67, F.S.; authorizing
 86 the executive director of the department or his or her
 87 designee to include additional daily accrued interest,

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88 costs, and fees in a garnishment levy notice; revising
 89 methods for delivery of levy notices; amending s.
 90 220.42, F.S.; deleting obsolete language; amending s.
 91 443.131, F.S.; excluding certain benefit charges from
 92 the employer reemployment assistance contribution rate
 93 calculation; amending s. 443.171, F.S.; requiring the
 94 department and its tax collection service provider to
 95 comply with requirements of the federal Treasury
 96 Offset Program; authorizing the department or the tax
 97 collection service provider to adopt rules; amending
 98 s. 624.515, F.S.; requiring the department to make
 99 available percentages of fire insurance; specifying
 100 requirements for insurers choosing not to use
 101 percentages of fire insurance calculated by the
 102 department; amending ss. 220.183, 288.0001, 290.0056,
 103 290.007, 377.809, 624.5105, and 1011.94, F.S.;
 104 conforming provisions and cross-references to changes
 105 made by the act; providing effective dates.

107 Be It Enacted by the Legislature of the State of Florida:

108
 109 Section 1. Paragraph (c) is added to subsection (1) of
 110 section 72.011, Florida Statutes, to read:

111 72.011 Jurisdiction of circuit courts in specific tax
 112 matters; administrative hearings and appeals; time for
 113 commencing action; parties; deposits.-

114 (1)

115 (c) A taxpayer may not submit records pertaining to an
 116 assessment or refund claim as evidence in any proceeding under

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117 this section if those records were available to, or required to
 118 be kept by, the taxpayer and were not timely provided to the
 119 Department of Revenue during the audit or protest period and
 120 before submission of a petition for hearing pursuant to chapter
 121 120 or the filing of an action under paragraph (a).

122 Section 2. Paragraph (b) of subsection (14) of section
 123 120.80, Florida Statutes, is amended, and subsection (19) is
 124 added to that section, to read:

125 120.80 Exceptions and special requirements; agencies.—

126 (14) DEPARTMENT OF REVENUE.—

127 (b) *Taxpayer contest proceedings.*—

128 1. In any administrative proceeding brought pursuant to
 129 this chapter as authorized by s. 72.011(1), the taxpayer shall
 130 be designated the “petitioner” and the Department of Revenue
 131 shall be designated the “respondent,” except that for actions
 132 contesting an assessment or denial of refund under chapter 207,
 133 the Department of Highway Safety and Motor Vehicles shall be
 134 designated the “respondent,” and for actions contesting an
 135 assessment or denial of refund under chapters 210, 550, 561,
 136 562, 563, 564, and 565, the Department of Business and
 137 Professional Regulation shall be designated the “respondent.”

138 2. In any such administrative proceeding, the applicable
 139 department’s burden of proof, except as otherwise specifically
 140 provided by general law, shall be limited to a showing that an
 141 assessment has been made against the taxpayer and the factual
 142 and legal grounds upon which the applicable department made the
 143 assessment.

144 3.a. ~~Before~~ ~~Prior to~~ filing a petition under this chapter,
 145 the taxpayer shall pay to the applicable department the amount

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146 of taxes, penalties, and accrued interest assessed by that
 147 department which are not being contested by the taxpayer.
 148 Failure to pay the uncontested amount shall result in the
 149 dismissal of the action and imposition of an additional penalty
 150 of 25 percent of the amount taxed.

151 b. The requirements of s. 72.011(2) and (3) (a) are
 152 jurisdictional for any action under this chapter to contest an
 153 assessment or denial of refund by the Department of Revenue, the
 154 Department of Highway Safety and Motor Vehicles, or the
 155 Department of Business and Professional Regulation.

156 4. Except as provided in s. 220.719, further collection and
 157 enforcement of the contested amount of an assessment for
 158 nonpayment or underpayment of any tax, interest, or penalty
 159 shall be stayed beginning on the date a petition is filed. Upon
 160 entry of a final order, an agency may resume collection and
 161 enforcement action.

162 5. The prevailing party, in a proceeding under ss. 120.569
 163 and 120.57 authorized by s. 72.011(1), may recover all legal
 164 costs incurred in such proceeding, including reasonable attorney
 165 ~~attorney’s~~ fees, if the losing party fails to raise a
 166 justiciable issue of law or fact in its petition or response.

167 6. Upon review pursuant to s. 120.68 of final agency action
 168 concerning an assessment of tax, penalty, or interest with
 169 respect to a tax imposed under chapter 212, or the denial of a
 170 refund of any tax imposed under chapter 212, if the court finds
 171 that the Department of Revenue improperly rejected or modified a
 172 conclusion of law, the court may award reasonable attorney
 173 ~~attorney’s~~ fees and reasonable costs of the appeal to the
 174 prevailing appellant.

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175 7. A taxpayer may not submit records pertaining to an
 176 assessment or refund claim as evidence in any proceeding brought
 177 pursuant to this chapter as authorized by s. 72.011(1) if those
 178 records were available to, or required to be kept by, the
 179 taxpayer and were not timely provided to the Department of
 180 Revenue during the audit or protest period and before submission
 181 of a petition for hearing under this chapter.

182 (19) AGENCIES HEADED BY THE GOVERNOR AND CABINET.—In a
 183 proceeding under s. 120.56(4) challenging a statement of an
 184 agency headed by the Governor and Cabinet, upon notification to
 185 the administrative law judge provided before the final hearing
 186 that the agency has published a notice of rule development under
 187 s. 120.54(2) regarding the statement and for which a notice of
 188 adoption of an emergency rule under s. 120.54(4) was also
 189 published, such notice automatically operates as a stay of
 190 proceedings pending adoption of the statement as a rule or while
 191 the emergency rule remains in effect. The administrative law
 192 judge may vacate the stay for good cause shown. A stay of
 193 proceedings under this subsection remains in effect so long as
 194 the agency is proceeding expeditiously and in good faith to
 195 adopt the statement as a rule or the emergency rule remains in
 196 effect.

197 Section 3. Paragraph (a) of subsection (1) of section
 198 201.02, Florida Statutes, is amended, and subsection (12) is
 199 added to that section, to read:

200 201.02 Tax on deeds and other instruments relating to real
 201 property or interests in real property.—

202 (1) (a) On deeds, instruments, or writings whereby any
 203 lands, tenements, or other real property, or any interest

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204 therein, ~~is shall be~~ granted, assigned, transferred, or
 205 otherwise conveyed to, or vested in, the purchaser or any other
 206 person by his or her direction, on each \$100 of the
 207 consideration therefor the tax shall be 70 cents. When the full
 208 amount of the consideration for the execution, assignment,
 209 transfer, or conveyance is not shown in the face of such deed,
 210 instrument, document, or writing, the tax ~~must shall~~ be at the
 211 rate of 70 cents for each \$100 or fractional part thereof of the
 212 consideration therefor. The parties to any document evidencing
 213 the transfer of real property shall establish the consideration
 214 before the transfer of the real property or the delivery of any
 215 document evidencing the transfer of the real property. For
 216 purposes of this section, consideration includes, but is not
 217 limited to, the money paid or agreed to be paid; the discharge
 218 of an obligation; and the amount of any mortgage, purchase money
 219 mortgage lien, or other encumbrance, whether or not the
 220 underlying indebtedness is assumed. If the consideration paid or
 221 given in exchange for real property or any interest therein
 222 includes property other than money, it is presumed that the
 223 consideration is equal to the fair market value of the real
 224 property or interest therein.

225 (12) The Department of Revenue shall adopt rules governing
 226 the implementation and operation of this section.

227 Section 4. Paragraph (f) is added to subsection (4) of
 228 section 202.34, Florida Statutes, and subsection (6) is added to
 229 that section, to read:

230 202.34 Records required to be kept; power to inspect; audit
 231 procedure.—

232 (4)

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233 (f) Once the notification required by paragraph (a) is
 234 issued, the department, at any time, may respond to contact
 235 initiated by a taxpayer to discuss the audit, and the taxpayer
 236 may provide records or other information, electronically or
 237 otherwise, to the department. The department may examine, at any
 238 time, documentation and other information voluntarily provided
 239 by the taxpayer, its representative, or other parties;
 240 information already in the department's possession; or publicly
 241 available information. The department's examination of such
 242 information does not mean an audit has commenced if the review
 243 takes place within 60 days after the notice of intent to conduct
 244 an audit. The requirement in paragraph (a) does not limit the
 245 department in making initial contact with the taxpayer to
 246 confirm receipt of the notification or to confirm the date that
 247 the audit will begin. If the taxpayer believes the department
 248 has prematurely commenced the audit, the taxpayer must object in
 249 writing to the department before the issuance of an assessment
 250 or else the objection is waived. If the department agrees that
 251 the audit was prematurely commenced, or a judge, a hearing
 252 officer, or an administrative law judge so determines, the
 253 tolling period provided for in s. 213.345 is considered lifted
 254 for the number of days equal to the difference between the date
 255 of premature commencement of audit and the 61st day after the
 256 date of the department's notice of intent to audit.

257 (6) The department may adopt rules to administer this
 258 section.

259 Section 5. Paragraph (a) of subsection (4) of section
 260 202.36, Florida Statutes, is amended to read:

261 202.36 Departmental powers; hearings; distress warrants;

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262 bonds; subpoenas and subpoenas duces tecum.—

263 (4) (a) The department may issue subpoenas or subpoenas
 264 duces tecum compelling the attendance and testimony of witnesses
 265 and the production of books, records, written materials, and
 266 electronically recorded information. Subpoenas must be issued
 267 with the written and signed approval of the executive director
 268 or his or her designee on a written and sworn application by any
 269 employee of the department. The application must set forth the
 270 reason for the application, the name of the person subpoenaed,
 271 the time and place of appearance of the witness, and a
 272 description of any books, records, or electronically recorded
 273 information to be produced, together with a statement by the
 274 applicant that the department has unsuccessfully attempted other
 275 reasonable means of securing information and that the testimony
 276 of the witness or the written or electronically recorded
 277 materials sought in the subpoena are necessary for the
 278 collection of taxes, penalty, or interest or the enforcement of
 279 the taxes levied or administered under this chapter. A subpoena
 280 shall be served in the manner provided by law and by the Florida
 281 Rules of Civil Procedure and shall be returnable only during
 282 regular business hours and at least 20 calendar days after the
 283 date of service of the subpoena. Any subpoena to which this
 284 subsection applies must identify the taxpayer to whom the
 285 subpoena relates and to whom the records pertain and must
 286 provide other information to enable the person subpoenaed to
 287 locate the records required under the subpoena. The department
 288 shall give notice to the taxpayer to whom the subpoena relates
 289 within 3 days after the day on which the service of the subpoena
 290 is made. Within 14 days after service of the subpoena, the

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291 person to whom the subpoena is directed may serve written
 292 objection to the inspection or copying of any of the designated
 293 materials. If objection is made, the department may not inspect
 294 or copy the materials, except pursuant to an order of the
 295 circuit court. If an objection is made, the department may
 296 petition any circuit court for an order to comply with the
 297 subpoena. The subpoena must contain a written notice of the
 298 right to object to the subpoena. Every subpoena served upon the
 299 witness or custodian of records must be accompanied by a copy of
 300 ~~the provisions of~~ this subsection. If a person refuses to obey a
 301 subpoena or subpoena duces tecum, the department may apply to
 302 any circuit court of this state to enforce compliance with the
 303 subpoena. Witnesses are entitled to be paid a mileage allowance
 304 and witness fees as authorized for witnesses in civil cases. The
 305 failure of a taxpayer to provide documents available to, or
 306 required to be kept by, the taxpayer and requested by a subpoena
 307 issued under this section creates a presumption that the
 308 resulting proposed final agency action by the department, as to
 309 the requested documents, is correct and that the requested
 310 documents not produced by the taxpayer would be adverse to the
 311 taxpayer's position as to the proposed final agency action. The
 312 department may create estimates for purposes of assessment if a
 313 taxpayer fails to provide documents requested by a subpoena
 314 issued under this section. The presumption and authority to
 315 create estimates under this paragraph are not triggered merely
 316 because a taxpayer or its representative requests a conference
 317 to negotiate the production of a sample of records demanded by a
 318 subpoena.

319 Section 6. Subsection (4) of section 206.14, Florida

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320 Statutes, is amended to read:

321 206.14 Inspection of records; audits; hearings; forms;
 322 rules and regulations.—

323 (4) If any person unreasonably refuses access to such
 324 records, books, papers or other documents, or equipment, or if
 325 any person fails or refuses to obey such subpoenas duces tecum
 326 or to testify, except for lawful reasons, before the department
 327 or any of its authorized agents, the department shall certify
 328 the names and facts to the clerk of the circuit court of any
 329 county; and the circuit court shall enter such order against
 330 such person in the premises as the enforcement of this law and
 331 justice requires. The failure of a taxpayer to provide documents
 332 available to, or required to be kept by, the taxpayer and
 333 requested by a subpoena issued under this section creates a
 334 presumption that the resulting proposed final agency action by
 335 the department, as to the requested documents, is correct and
 336 that the requested documents not produced by the taxpayer would
 337 be adverse to the taxpayer's position as to the proposed final
 338 agency action. The department may create estimates for purposes
 339 of assessment if a taxpayer fails to provide documents requested
 340 by a subpoena issued under this section.

341 Section 7. Subsection (1) of section 206.9931, Florida
 342 Statutes, is amended to read:

343 206.9931 Administrative provisions.—

344 (1) Any person producing in, importing into, or causing to
 345 be imported into this state taxable pollutants for sale, use, or
 346 otherwise and who is not registered or licensed pursuant to
 347 other parts of this chapter is hereby required to register and
 348 become licensed for the purposes of this part. Such person shall

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349 register as either a producer or importer of pollutants and
 350 shall be subject to all applicable registration and licensing
 351 provisions of this chapter, as if fully set out in this part and
 352 made expressly applicable to the taxes imposed herein,
 353 including, but not limited to, ss. 206.02, 206.021, 206.022,
 354 206.025, 206.03, 206.04, and 206.05. For the purposes of this
 355 section, registrations required exclusively for this part shall
 356 be made within 90 days of July 1, 1986, for existing businesses,
 357 or ~~before~~ ~~prior to~~ the first production or importation of
 358 pollutants for businesses created after July 1, 1986. ~~The fee~~
 359 ~~for registration shall be \$30.~~ Failure to timely register is a
 360 misdemeanor of the first degree, punishable as provided in s.
 361 775.082 or s. 775.083.

362 Section 8. Paragraph (b) of subsection (3) of section
 363 211.125, Florida Statutes, is amended to read:

364 211.125 Administration of law; books and records; powers of
 365 the department; refunds; enforcement provisions;
 366 confidentiality.—

367 (3)

368 (b) The department ~~may~~ shall ~~have the power to~~ inspect or
 369 examine the books, records, or papers of any operator, producer,
 370 purchaser, royalty interest owner, taxpayer, or transporter of
 371 taxable products which are reasonably required for the purposes
 372 of this part and may require such person to testify under oath
 373 or affirmation or to answer competent questions touching upon
 374 such person's business or production of taxable products in this
 375 ~~the~~ state.

376 1. The department may issue subpoenas to compel third
 377 parties to testify or to produce records or other evidence held

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378 by them.

379 2. Any duly authorized representative of the department may
 380 administer an oath or affirmation.

381 3. If any person fails to comply with a request of the
 382 department for the inspection of records, fails to give
 383 testimony or respond to competent questions, or fails to comply
 384 with a subpoena, a circuit court having jurisdiction over such
 385 person may, upon application by the department, issue orders
 386 necessary to secure compliance. The failure of a taxpayer to
 387 provide documents available to, or required to be kept by, the
 388 taxpayer and requested by a subpoena issued under this section
 389 creates a presumption that the resulting proposed final agency
 390 action by the department, as to the requested documents, is
 391 correct and that the requested documents not produced by the
 392 taxpayer would be adverse to the taxpayer's position as to the
 393 proposed final agency action. The department may create
 394 estimates for purposes of assessment if a taxpayer fails to
 395 provide documents requested by a subpoena issued under this
 396 section.

397 Section 9. Paragraph (a) of subsection (1) of section
 398 212.05, Florida Statutes, is amended to read:

399 212.05 Sales, storage, use tax.—It is hereby declared to be
 400 the legislative intent that every person is exercising a taxable
 401 privilege who engages in the business of selling tangible
 402 personal property at retail in this state, including the
 403 business of making or facilitating remote sales; who rents or
 404 furnishes any of the things or services taxable under this
 405 chapter; or who stores for use or consumption in this state any
 406 item or article of tangible personal property as defined herein

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407 and who leases or rents such property within the state.

408 (1) For the exercise of such privilege, a tax is levied on
409 each taxable transaction or incident, which tax is due and
410 payable as follows:

411 (a)1.a. At the rate of 6 percent of the sales price of each
412 item or article of tangible personal property when sold at
413 retail in this state, computed on each taxable sale for the
414 purpose of remitting the amount of tax due the state, and
415 including each and every retail sale.

416 b. Each occasional or isolated sale of an aircraft, boat,
417 mobile home, or motor vehicle of a class or type which is
418 required to be registered, licensed, titled, or documented in
419 this state or by the United States Government is shall be
420 subject to tax at the rate provided in this paragraph. The
421 department shall by rule adopt any nationally recognized
422 publication for valuation of used motor vehicles as the
423 reference price list for any used motor vehicle which is
424 required to be licensed pursuant to s. 320.08(1), (2), (3)(a),
425 (b), (c), or (e), or (9). If any party to an occasional or
426 isolated sale of such a vehicle reports to the tax collector a
427 sales price which is less than 80 percent of the average loan
428 price for the specified model and year of such vehicle as listed
429 in the most recent reference price list, the tax levied under
430 this paragraph shall be computed by the department on such
431 average loan price unless the parties to the sale have provided
432 to the tax collector an affidavit signed by each party, or other
433 substantial proof, stating the actual sales price. Any party to
434 such sale who reports a sales price less than the actual sales
435 price is guilty of a misdemeanor of the first degree, punishable

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436 as provided in s. 775.082 or s. 775.083. The department shall
437 collect or attempt to collect from such party any delinquent
438 sales taxes. In addition, such party shall pay any tax due and
439 any penalty and interest assessed plus a penalty equal to twice
440 the amount of the additional tax owed. Notwithstanding any other
441 provision of law, the Department of Revenue may waive or
442 compromise any penalty imposed pursuant to this subparagraph.

443 2. This paragraph does not apply to the sale of a boat or
444 aircraft by or through a registered dealer under this chapter to
445 a purchaser who, at the time of taking delivery, is a
446 nonresident of this state, does not make his or her permanent
447 place of abode in this state, and is not engaged in carrying on
448 in this state any employment, trade, business, or profession in
449 which the boat or aircraft will be used in this state, or is a
450 corporation none of the officers or directors of which is a
451 resident of, or makes his or her permanent place of abode in,
452 this state, or is a noncorporate entity that has no individual
453 vested with authority to participate in the management,
454 direction, or control of the entity's affairs who is a resident
455 of, or makes his or her permanent abode in, this state. For
456 purposes of this exemption, either a registered dealer acting on
457 his or her own behalf as seller, a registered dealer acting as
458 broker on behalf of a seller, or a registered dealer acting as
459 broker on behalf of the nonresident purchaser may be deemed to
460 be the selling dealer. This exemption is shall not be allowed
461 unless:

462 a. The nonresident purchaser removes a qualifying boat, as
463 described in sub-subparagraph f., from this the state within 90
464 days after the date of purchase or extension, or the nonresident

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465 purchaser removes a nonqualifying boat or an aircraft from this
466 state within 10 days after the date of purchase or, when the
467 boat or aircraft is repaired or altered, within 20 days after
468 completion of the repairs or alterations; or if the aircraft
469 will be registered in a foreign jurisdiction and:

470 (I) Application for the aircraft's registration is properly
471 filed with a civil airworthiness authority of a foreign
472 jurisdiction within 10 days after the date of purchase;

473 (II) The nonresident purchaser removes the aircraft from
474 ~~this the~~ state to a foreign jurisdiction within 10 days after
475 the date the aircraft is registered by the applicable foreign
476 airworthiness authority; and

477 (III) The aircraft is operated in ~~this the~~ state solely to
478 remove it from ~~this the~~ state to a foreign jurisdiction.

479

480 For purposes of this sub-subparagraph, the term "foreign
481 jurisdiction" means any jurisdiction outside of the United
482 States or any of its territories;

483 b. The nonresident purchaser, within 90 days ~~after from~~ the
484 date of departure, provides the department with written proof
485 that the nonresident purchaser licensed, registered, titled, or
486 documented the boat or aircraft outside ~~this the~~ state. If such
487 written proof is unavailable, within 90 days the nonresident
488 purchaser ~~must shall~~ provide proof that the nonresident
489 purchaser applied for such license, title, registration, or
490 documentation. The nonresident purchaser shall forward to the
491 department proof of title, license, registration, or
492 documentation upon receipt;

493 c. The nonresident purchaser, within 30 days after removing

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494 the boat or aircraft from this state Florida, furnishes the
495 department with proof of removal in the form of receipts for
496 fuel, dockage, slippage, tie-down, or hanging from outside of
497 ~~this state Florida~~. The information so provided must clearly and
498 specifically identify the boat or aircraft;

499 d. The selling dealer, within 30 days after the date of
500 sale, provides to the department a copy of the sales invoice,
501 closing statement, bills of sale, and the original affidavit
502 signed by the nonresident purchaser affirming that the
503 nonresident purchaser qualifies for exemption from sales tax
504 pursuant to this subparagraph and attesting that the nonresident
505 purchaser will provide the documentation required to
506 substantiate the exemption claimed under this subparagraph
507 attesting that he or she has read the provisions of this
508 ection;

509 e. The seller makes a copy of the affidavit a part of his
510 or her record for as long as required by s. 213.35; and

511 f. Unless the nonresident purchaser of a boat of 5 net tons
512 of admeasurement or larger intends to remove the boat from this
513 state within 10 days after the date of purchase or when the boat
514 is repaired or altered, within 20 days after completion of the
515 repairs or alterations, the nonresident purchaser applies to the
516 selling dealer for a decal which authorizes 90 days after the
517 date of purchase for removal of the boat. The nonresident
518 purchaser of a qualifying boat may apply to the selling dealer
519 within 60 days after the date of purchase for an extension decal
520 that authorizes the boat to remain in this state for an
521 additional 90 days, but not more than a total of 180 days,
522 before the nonresident purchaser is required to pay the tax

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523 imposed by this chapter. The department is authorized to issue
 524 decals in advance to dealers. The number of decals issued in
 525 advance to a dealer shall be consistent with the volume of the
 526 dealer's past sales of boats which qualify under this sub-
 527 subparagraph. The selling dealer or his or her agent shall mark
 528 and affix the decals to qualifying boats in the manner
 529 prescribed by the department, before delivery of the boat.

530 (I) The department is hereby authorized to charge dealers a
 531 fee sufficient to recover the costs of decals issued, except the
 532 extension decal shall cost \$425.

533 (II) The proceeds from the sale of decals will be deposited
 534 into the administrative trust fund.

535 (III) Decals shall display information to identify the boat
 536 as a qualifying boat under this sub-subparagraph, including, but
 537 not limited to, the decal's date of expiration.

538 (IV) The department is authorized to require dealers who
 539 purchase decals to file reports with the department and may
 540 prescribe all necessary records by rule. All such records are
 541 subject to inspection by the department.

542 (V) Any dealer or his or her agent who issues a decal
 543 falsely, fails to affix a decal, mismarks the expiration date of
 544 a decal, or fails to properly account for decals will be
 545 considered prima facie to have committed a fraudulent act to
 546 evade the tax and will be liable for payment of the tax plus a
 547 mandatory penalty of 200 percent of the tax, and shall be liable
 548 for fine and punishment as provided by law for a conviction of a
 549 misdemeanor of the first degree, as provided in s. 775.082 or s.
 550 775.083.

551 (VI) Any nonresident purchaser of a boat who removes a

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552 decal before permanently removing the boat from this ~~the~~ state,
 553 or defaces, changes, modifies, or alters a decal in a manner
 554 affecting its expiration date before its expiration, or who
 555 causes or allows the same to be done by another, will be
 556 considered prima facie to have committed a fraudulent act to
 557 evade the tax and will be liable for payment of the tax plus a
 558 mandatory penalty of 200 percent of the tax, and shall be liable
 559 for fine and punishment as provided by law for a conviction of a
 560 misdemeanor of the first degree, as provided in s. 775.082 or s.
 561 775.083.

562 (VII) The department is authorized to adopt rules necessary
 563 to administer and enforce this subparagraph and to publish the
 564 necessary forms and instructions.

565 (VIII) The department is hereby authorized to adopt
 566 emergency rules pursuant to s. 120.54(4) to administer and
 567 enforce ~~the provisions of~~ this subparagraph.

568
 569 If the nonresident purchaser fails to remove the qualifying boat
 570 from this state within the maximum 180 days after purchase or a
 571 nonqualifying boat or an aircraft from this state within 10 days
 572 after purchase or, when the boat or aircraft is repaired or
 573 altered, within 20 days after completion of such repairs or
 574 alterations, or permits the boat or aircraft to return to this
 575 state within 6 months after ~~from~~ the date of departure, except
 576 as provided in s. 212.08(7)(fff), or if the nonresident
 577 purchaser fails to furnish the department with any of the
 578 documentation required by this subparagraph within the
 579 prescribed time period, the nonresident purchaser ~~is shall be~~
 580 liable for use tax on the cost price of the boat or aircraft

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581 and, in addition thereto, payment of a penalty to the Department
582 of Revenue equal to the tax payable. This penalty shall be in
583 lieu of the penalty imposed by s. 212.12(2). The maximum 180-day
584 period following the sale of a qualifying boat tax-exempt to a
585 nonresident may not be tolled for any reason.

586 Section 10. Paragraphs (g) and (h) of subsection (5) and
587 paragraph (f) of subsection (15) of section 212.08, Florida
588 Statutes, are amended to read:

589 212.08 Sales, rental, use, consumption, distribution, and
590 storage tax; specified exemptions.—The sale at retail, the
591 rental, the use, the consumption, the distribution, and the
592 storage to be used or consumed in this state of the following
593 are hereby specifically exempt from the tax imposed by this
594 chapter.

595 (5) EXEMPTIONS; ACCOUNT OF USE.—

596 ~~(g) Building materials used in the rehabilitation of real
597 property located in an enterprise zone.—~~

598 ~~1. Building materials used in the rehabilitation of real
599 property located in an enterprise zone are exempt from the tax
600 imposed by this chapter upon an affirmative showing to the
601 satisfaction of the department that the items have been used for
602 the rehabilitation of real property located in an enterprise
603 zone. Except as provided in subparagraph 2., this exemption
604 inures to the owner, lessee, or lessor at the time the real
605 property is rehabilitated, but only through a refund of
606 previously paid taxes. To receive a refund pursuant to this
607 paragraph, the owner, lessee, or lessor of the rehabilitated
608 real property must file an application under oath with the
609 governing body or enterprise zone development agency having~~

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610 ~~jurisdiction over the enterprise zone where the business is
611 located, as applicable. A single application for a refund may be
612 submitted for multiple, contiguous parcels that were part of a
613 single parcel that was divided as part of the rehabilitation of
614 the property. All other requirements of this paragraph apply to
615 each parcel on an individual basis. The application must
616 include:~~

617 ~~a. The name and address of the person claiming the refund.~~

618 ~~b. An address and assessment roll parcel number of the
619 rehabilitated real property for which a refund of previously
620 paid taxes is being sought.~~

621 ~~c. A description of the improvements made to accomplish the
622 rehabilitation of the real property.~~

623 ~~d. A copy of a valid building permit issued by the county
624 or municipal building department for the rehabilitation of the
625 real property.~~

626 ~~e. A sworn statement, under penalty of perjury, from the
627 general contractor licensed in this state with whom the
628 applicant contracted to make the improvements necessary to
629 rehabilitate the real property, which lists the building
630 materials used to rehabilitate the real property, the actual
631 cost of the building materials, and the amount of sales tax paid
632 in this state on the building materials. If a general contractor
633 was not used, the applicant, not a general contractor, shall
634 make the sworn statement required by this sub subparagraph.
635 Copies of the invoices that evidence the purchase of the
636 building materials used in the rehabilitation and the payment of
637 sales tax on the building materials must be attached to the
638 sworn statement provided by the general contractor or by the~~

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639 applicant. Unless the actual cost of building materials used in
 640 the rehabilitation of real property and the payment of sales
 641 taxes is documented by a general contractor or by the applicant
 642 in this manner, the cost of the building materials is deemed to
 643 be an amount equal to 40 percent of the increase in assessed
 644 value for ad valorem tax purposes.

645 f. The identifying number assigned pursuant to s. 290.0065
 646 to the enterprise zone in which the rehabilitated real property
 647 is located.

648 g. A certification by the local building code inspector
 649 that the improvements necessary to rehabilitate the real
 650 property are substantially completed.

651 h. A statement of whether the business is a small business
 652 as defined by s. 288.703.

653 i. If applicable, the name and address of each permanent
 654 employee of the business, including, for each employee who is a
 655 resident of an enterprise zone, the identifying number assigned
 656 pursuant to s. 290.0065 to the enterprise zone in which the
 657 employee resides.

658 2. This exemption inures to a municipality, county, other
 659 governmental unit or agency, or nonprofit community-based
 660 organization through a refund of previously paid taxes if the
 661 building materials used in the rehabilitation are paid for from
 662 the funds of a community development block grant, State Housing
 663 Initiatives Partnership Program, or similar grant or loan
 664 program. To receive a refund, a municipality, county, other
 665 governmental unit or agency, or nonprofit community based
 666 organization must file an application that includes the same
 667 information required in subparagraph 1. In addition, the

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668 application must include a sworn statement signed by the chief
 669 executive officer of the municipality, county, other
 670 governmental unit or agency, or nonprofit community based
 671 organization seeking a refund which states that the building
 672 materials for which a refund is sought were funded by a
 673 community development block grant, State Housing Initiatives
 674 Partnership Program, or similar grant or loan program.

675 3. Within 10 working days after receipt of an application,
 676 the governing body or enterprise zone development agency shall
 677 review the application to determine if it contains all the
 678 information required by subparagraph 1. or subparagraph 2. and
 679 meets the criteria set out in this paragraph. The governing body
 680 or agency shall certify all applications that contain the
 681 required information and are eligible to receive a refund. If
 682 applicable, the governing body or agency shall also certify if
 683 20 percent of the employees of the business are residents of an
 684 enterprise zone, excluding temporary and part time employees.
 685 The certification must be in writing, and a copy of the
 686 certification shall be transmitted to the executive director of
 687 the department. The applicant is responsible for forwarding a
 688 certified application to the department within the time
 689 specified in subparagraph 4.

690 4. An application for a refund must be submitted to the
 691 department within 6 months after the rehabilitation of the
 692 property is deemed to be substantially completed by the local
 693 building code inspector or by November 1 after the rehabilitated
 694 property is first subject to assessment.

695 5. Only one exemption through a refund of previously paid
 696 taxes for the rehabilitation of real property is permitted for

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697 any single parcel of property unless there is a change in
 698 ownership, a new lessor, or a new lessee of the real property. A
 699 refund may not be granted unless the amount to be refunded
 700 exceeds \$500. A refund may not exceed the lesser of 97 percent
 701 of the Florida sales or use tax paid on the cost of the building
 702 materials used in the rehabilitation of the real property as
 703 determined pursuant to sub-subparagraph 1.c. or \$5,000, or, if
 704 at least 20 percent of the employees of the business are
 705 residents of an enterprise zone, excluding temporary and part-
 706 time employees, the amount of refund may not exceed the lesser
 707 of 97 percent of the sales tax paid on the cost of the building
 708 materials or \$10,000. A refund shall be made within 30 days
 709 after formal approval by the department of the application for
 710 the refund.

711 ~~6. The department shall adopt rules governing the manner~~
 712 ~~and form of refund applications and may establish guidelines as~~
 713 ~~to the requisites for an affirmative showing of qualification~~
 714 ~~for exemption under this paragraph.~~

715 ~~7. The department shall deduct an amount equal to 10~~
 716 ~~percent of each refund granted under this paragraph from the~~
 717 ~~amount transferred into the Local Government Half-cent Sales Tax~~
 718 ~~Clearing Trust Fund pursuant to s. 212.20 for the county area in~~
 719 ~~which the rehabilitated real property is located and shall~~
 720 ~~transfer that amount to the General Revenue Fund.~~

721 ~~8. For the purposes of the exemption provided in this~~
 722 ~~paragraph, the term:~~

723 ~~a. "Building materials" means tangible personal property~~
 724 ~~that becomes a component part of improvements to real property.~~

725 ~~b. "Real property" has the same meaning as provided in s.~~

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726 ~~192.001(12), except that the term does not include a condominium~~
 727 ~~parcel or condominium property as defined in s. 718.102.~~

728 ~~e. "Rehabilitation of real property" means the~~
 729 ~~reconstruction, renovation, restoration, rehabilitation,~~
 730 ~~construction, or expansion of improvements to real property.~~

731 ~~d. "Substantially completed" has the same meaning as~~
 732 ~~provided in s. 192.042(1).~~

733 ~~9. This paragraph expires on the date specified in s.~~
 734 ~~290.016 for the expiration of the Florida Enterprise Zone Act.~~

735 ~~(g)(h) Business property used in an enterprise zone.-~~

736 1. Business property purchased for use by businesses
 737 located in an enterprise zone which is subsequently used in an
 738 enterprise zone shall be exempt from the tax imposed by this
 739 chapter. This exemption inures to the business only through a
 740 refund of previously paid taxes. A refund shall be authorized
 741 upon an affirmative showing by the taxpayer to the satisfaction
 742 of the department that the requirements of this paragraph have
 743 been met.

744 2. To receive a refund, the business must file under oath
 745 with the governing body or enterprise zone development agency
 746 having jurisdiction over the enterprise zone where the business
 747 is located, as applicable, an application which includes:

748 a. The name and address of the business claiming the
 749 refund.

750 b. The identifying number assigned pursuant to s. 290.0065
 751 to the enterprise zone in which the business is located.

752 c. A specific description of the property for which a
 753 refund is sought, including its serial number or other permanent
 754 identification number.

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755 d. The location of the property.

756 e. The sales invoice or other proof of purchase of the

757 property, showing the amount of sales tax paid, the date of

758 purchase, and the name and address of the sales tax dealer from

759 whom the property was purchased.

760 f. Whether the business is a small business as defined by

761 s. 288.703.

762 g. If applicable, the name and address of each permanent

763 employee of the business, including, for each employee who is a

764 resident of an enterprise zone, the identifying number assigned

765 pursuant to s. 290.0065 to the enterprise zone in which the

766 employee resides.

767 3. Within 10 working days after receipt of an application,

768 the governing body or enterprise zone development agency shall

769 review the application to determine if it contains all the

770 information required pursuant to subparagraph 2. and meets the

771 criteria set out in this paragraph. The governing body or agency

772 shall certify all applications that contain the information

773 required pursuant to subparagraph 2. and meet the criteria set

774 out in this paragraph as eligible to receive a refund. If

775 applicable, the governing body or agency shall also certify if

776 20 percent of the employees of the business are residents of an

777 enterprise zone, excluding temporary and part-time employees.

778 The certification shall be in writing, and a copy of the

779 certification shall be transmitted to the executive director of

780 the Department of Revenue. The business shall be responsible for

781 forwarding a certified application to the department within the

782 time specified in subparagraph 4.

783 4. An application for a refund pursuant to this paragraph

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784 must be submitted to the department within 6 months after the

785 tax is due on the business property that is purchased.

786 5. The amount refunded on purchases of business property

787 under this paragraph shall be the lesser of 97 percent of the

788 sales tax paid on such business property or \$5,000, or, if no

789 less than 20 percent of the employees of the business are

790 residents of an enterprise zone, excluding temporary and part-

791 time employees, the amount refunded on purchases of business

792 property under this paragraph shall be the lesser of 97 percent

793 of the sales tax paid on such business property or \$10,000. A

794 refund approved pursuant to this paragraph shall be made within

795 30 days after formal approval by the department of the

796 application for the refund. A refund may not be granted under

797 this paragraph unless the amount to be refunded exceeds \$100 in

798 sales tax paid on purchases made within a 60-day time period.

799 6. The department shall adopt rules governing the manner

800 and form of refund applications and may establish guidelines as

801 to the requisites for an affirmative showing of qualification

802 for exemption under this paragraph.

803 7. If the department determines that the business property

804 is used outside an enterprise zone within 3 years from the date

805 of purchase, the amount of taxes refunded to the business

806 purchasing such business property shall immediately be due and

807 payable to the department by the business, together with the

808 appropriate interest and penalty, computed from the date of

809 purchase, in the manner provided by this chapter.

810 Notwithstanding this subparagraph, business property used

811 exclusively in:

812 a. Licensed commercial fishing vessels,

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- 813 b. Fishing guide boats, or
814 c. Ecotourism guide boats

815
816 that leave and return to a fixed location within an area
817 designated under s. 379.2353, Florida Statutes 2010, are
818 eligible for the exemption provided under this paragraph if all
819 requirements of this paragraph are met. Such vessels and boats
820 must be owned by a business that is eligible to receive the
821 exemption provided under this paragraph. This exemption does not
822 apply to the purchase of a vessel or boat.

823 8. The department shall deduct an amount equal to 10
824 percent of each refund granted under this paragraph from the
825 amount transferred into the Local Government Half-cent Sales Tax
826 Clearing Trust Fund pursuant to s. 212.20 for the county area in
827 which the business property is located and shall transfer that
828 amount to the General Revenue Fund.

829 9. For the purposes of this exemption, "business property"
830 means new or used property defined as "recovery property" in s.
831 168(c) of the Internal Revenue Code of 1954, as amended, except:

- 832 a. Property classified as 3-year property under s.
833 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;
834 b. Industrial machinery and equipment as defined in sub-
835 subparagraph (b)6.a. and eligible for exemption under paragraph
836 (b); and
837 c. ~~Building materials as defined in sub-subparagraph~~
838 ~~(g)8.a.; and~~
839 ~~d.~~ Business property having a sales price of under \$5,000
840 per unit.
841 10. This paragraph expires on the date specified in s.

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842 290.016 for the expiration of the Florida Enterprise Zone Act.
843 (15) ELECTRICAL ENERGY USED IN AN ENTERPRISE ZONE.-
844 (f) For the purpose of the exemption provided in this
845 subsection, the term "qualified business" means a business which
846 is:

- 847 1. First occupying a new structure to which electrical
848 service, other than that used for construction purposes, has not
849 been previously provided or furnished; or
850 2. Newly occupying an existing, remodeled, renovated, or
851 rehabilitated structure to which electrical service, other than
852 that used for remodeling, renovation, or rehabilitation of the
853 structure, has not been provided or furnished in the three
854 preceding billing periods. ~~or~~

855 ~~3. Occupying a new, remodeled, rebuilt, renovated, or~~
856 ~~rehabilitated structure for which a refund has been granted~~
857 ~~pursuant to paragraph (5)(g).~~

858 Section 11. Subsections (2) and (5) of section 212.13,
859 Florida Statutes, are amended, and subsection (7) is added to
860 that section, to read:

861 212.13 Records required to be kept; power to inspect; audit
862 procedure.-

863 (2) (a) Each dealer, as defined in this chapter, shall
864 secure, maintain, and keep as long as required by s. 213.35 a
865 complete record of tangible personal property or services
866 received, used, sold at retail, distributed or stored, leased or
867 rented by said dealer, together with invoices, bills of lading,
868 gross receipts from such sales, and other pertinent records and
869 papers as may be required by the department for the reasonable
870 administration of this chapter. All such records must be made

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871 available to the department at reasonable times and places and
 872 by reasonable means, including in an electronic format when so
 873 kept by the dealer. Any dealer subject to this chapter who
 874 violates this subsection commits a misdemeanor of the first
 875 degree, punishable as provided in s. 775.082 or s. 775.083. If,
 876 however, any subsequent offense involves intentional destruction
 877 of such records with an intent to evade payment of or deprive
 878 the state of any tax revenues, such subsequent offense is a
 879 felony of the third degree, punishable as provided in s. 775.082
 880 or s. 775.083.

881 (b) Dealers licensed under chapter 561 shall maintain
 882 records of all monthly sales and all monthly purchases of
 883 alcoholic beverages and produce such records for inspection by
 884 any department employee within 10 days after written request
 885 therefor. The failure of a dealer licensed under chapter 561 to
 886 comply with such a request is deemed sufficient cause under s.
 887 561.29(1)(a), and the department shall promptly notify the
 888 Division of Alcoholic Beverages and Tobacco and the dealer of
 889 such failure for further appropriate action by the division. The
 890 department may suspend the resale certificate issued to a dealer
 891 licensed under chapter 561 if the dealer fails to produce the
 892 records requested by the department under this section, unless
 893 such dealer, within 30 days after the receipt of notice by the
 894 department, corrects such failure or establishes reasonable
 895 cause to the department why the requested records do not exist.
 896 A dealer licensed under chapter 561 aggrieved by an action of
 897 the department which suspends the resale certificate of that
 898 dealer may apply to the department within 30 days after the
 899 receipt of the notice of suspension for an administrative

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900 hearing pursuant to chapter 120.

901 (5) (a) The department shall send written notification at
 902 least 60 days ~~before~~ ~~prior to~~ the date an auditor is scheduled
 903 to begin an audit, informing the taxpayer of the audit. The
 904 department is not required to give 60 days' prior notification
 905 of a forthcoming audit in any instance in which the taxpayer
 906 requests an emergency audit.

907 (b) Such written notification ~~must~~ ~~shall~~ contain:

908 1. The approximate date on which the auditor is scheduled
 909 to begin the audit.

910 2. A reminder that all of the records, receipts, invoices,
 911 resale certificates, and related documentation of the taxpayer
 912 must be made available to the auditor.

913 3. Any other requests or suggestions the department may
 914 deem necessary.

915 (c) Only records, receipts, invoices, resale certificates,
 916 and related documentation that ~~which~~ are available to the
 917 auditor when such audit begins are ~~shall be~~ deemed acceptable
 918 for the purposes of conducting such audit. A resale certificate
 919 containing a date ~~before~~ ~~prior to~~ the date the audit commences
 920 is ~~shall be~~ deemed acceptable documentation of the specific
 921 transaction or transactions which occurred in the past, for the
 922 purpose of conducting an audit.

923 (d) The provisions of this chapter concerning fraudulent or
 924 improper records, receipts, invoices, resale certificates, and
 925 related documentation ~~shall~~ apply when conducting any audit.

926 (e) The requirement in paragraph (a) of 60 days' written
 927 notification does not apply to the distress or jeopardy
 928 situations referred to in s. 212.14 or s. 212.15.

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929 (f) Once the notification required by paragraph (a) is
 930 issued, the department, at any time, may respond to contact
 931 initiated by a taxpayer to discuss the audit, and the taxpayer
 932 may provide documentation or other information, electronically
 933 or otherwise, to the department. The department may examine, at
 934 any time, documentation and other information voluntarily
 935 provided by the taxpayer, its representative, or other parties;
 936 information already in the department's possession; or publicly
 937 available information. The department's examination of such
 938 information does not mean an audit has commenced if the review
 939 takes place within 60 days after the notice of intent to conduct
 940 an audit. The requirement in paragraph (a) does not limit the
 941 department in making initial contact with the taxpayer to
 942 confirm receipt of the notification or to confirm the date that
 943 the audit will begin. If the taxpayer believes the department
 944 has prematurely commenced the audit, the taxpayer must object in
 945 writing to the department before the issuance of an assessment
 946 or else the objection is waived. If the department agrees that
 947 the audit was prematurely commenced, or a judge, a hearing
 948 officer or an administrative law judge so determines, the
 949 tolling period provided for in s. 213.345 is considered lifted
 950 for the number of days equal to the difference between the date
 951 of premature commencement of audit and the 61st day after the
 952 date of the department's notice of intent to audit.

953 (7) The department may adopt rules to administer this
 954 section.

955 Section 12. Paragraph (a) of subsection (7) of section
 956 212.14, Florida Statutes, is amended to read:
 957 212.14 Departmental powers; hearings; distress warrants;

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958 bonds; subpoenas and subpoenas duces tecum.—

959 (7) (a) For purposes of collection and enforcement of taxes,
 960 penalties, and interest levied under this chapter, the
 961 department may issue subpoenas or subpoenas duces tecum
 962 compelling the attendance and testimony of witnesses and the
 963 production of books, records, written materials, and
 964 electronically recorded information. Subpoenas shall be issued
 965 with the written and signed approval of the executive director
 966 or his or her designee on written and sworn application by any
 967 employee of the department. The application must set forth the
 968 reason for the application, the name of the person subpoenaed,
 969 the time and place of appearance of the witness, and a
 970 description of any books, records, or electronically recorded
 971 information to be produced, together with a statement by the
 972 applicant that the department has unsuccessfully attempted other
 973 reasonable means of securing information and that the testimony
 974 of the witness or the written or electronically recorded
 975 materials sought in the subpoena are necessary for the
 976 collection of taxes, penalty, or interest or the enforcement of
 977 the taxes levied under this chapter. A subpoena must ~~shall~~ be
 978 served in the manner provided by law and by the Florida Rules of
 979 Civil Procedure and ~~is shall be~~ returnable only during regular
 980 business hours and at least 20 calendar days after the date of
 981 service of the subpoena. Any subpoena to which this subsection
 982 applies must ~~shall~~ identify the taxpayer to whom the subpoena
 983 relates and to whom the records pertain and must ~~shall~~ provide
 984 other information to enable the person subpoenaed to locate the
 985 records required under the subpoena. The department shall give
 986 notice to the taxpayer to whom the subpoena relates within 3

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987 days ~~after~~ ~~of~~ the day on which the service of the subpoena is
 988 made. Within 14 days after service of the subpoena, the person
 989 to whom the subpoena is directed may serve written objection to
 990 inspection or copying of any of the designated materials. If
 991 objection is made, the department ~~is shall~~ not be entitled to
 992 inspect and copy the materials, except pursuant to an order of
 993 the circuit court. If an objection is made, the department may
 994 petition any circuit court for an order to comply with the
 995 subpoena. The subpoena ~~must shall~~ contain a written notice of
 996 the right to object to the subpoena. Every subpoena served upon
 997 the witness or records custodian must be accompanied by a copy
 998 of ~~the provisions of~~ this subsection. If a person refuses to
 999 obey a subpoena or subpoena duces tecum, the department may
 1000 apply to any circuit court of this state to enforce compliance
 1001 with the subpoena. Witnesses ~~must shall~~ be paid mileage and
 1002 witness fees as authorized for witnesses in civil cases. The
 1003 failure of a taxpayer to provide documents available to, or
 1004 required to be kept by, the taxpayer and requested by a subpoena
 1005 issued under this section creates a presumption that the
 1006 resulting proposed final agency action by the department, as to
 1007 the requested documents, is correct and that the requested
 1008 documents not produced by the taxpayer would be adverse to the
 1009 taxpayer's position as to the proposed final agency action. The
 1010 department may create estimates for purposes of assessment if a
 1011 taxpayer fails to provide documents requested by a subpoena
 1012 issued under this section. The presumption and authority to
 1013 create estimates under this paragraph are not triggered merely
 1014 because a taxpayer or its representative requests a conference
 1015 to negotiate the production of a sample of records demanded by a

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1016 subpoena.
 1017 Section 13. Section 213.051, Florida Statutes, is amended
 1018 to read:
 1019 213.051 Service of subpoenas.—
 1020 (1) For the purpose of administering and enforcing ~~the~~
 1021 ~~provisions of~~ the revenue laws of this state, the executive
 1022 director of the Department of Revenue, or any of his or her
 1023 assistants designated in writing by the executive director, ~~may~~
 1024 ~~shall be authorized to~~ serve subpoenas and subpoenas duces tecum
 1025 issued by the state attorney relating to investigations
 1026 concerning the taxes enumerated in s. 213.05.
 1027 (2) In addition to the procedures for service prescribed by
 1028 chapter 48, the department may serve subpoenas it issues
 1029 pursuant to ss. 202.36, 206.14, 211.125, 212.14, and 220.735
 1030 upon any business registered with the department at the address
 1031 on file with the department if it received correspondence from
 1032 the business from that address within 30 days after issuance of
 1033 the subpoena or if the address is listed with the Department of
 1034 State Division of Corporations as a principal or business
 1035 address. If a business' address is not in this state, service is
 1036 made upon proof of delivery by registered mail or under the
 1037 notice provisions of s. 213.0537.
 1038 Section 14. Section 213.06, Florida Statutes, is amended,
 1039 to read:
 1040 213.06 Rules of department; circumstances requiring
 1041 emergency rules.—
 1042 (1) The Department of Revenue ~~may has the authority to~~
 1043 adopt rules pursuant to ss. 120.536(1) and 120.54 to implement
 1044 provisions of the revenue laws.

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1045 (2) The executive director of the department may adopt
 1046 emergency rules pursuant to s. 120.54 on behalf of the
 1047 department when the effective date of a legislative change
 1048 occurs sooner than 120 ~~60~~ days after the close of a legislative
 1049 session in which enacted or after the governor approves or fails
 1050 to veto the legislative change, whichever is later, and the
 1051 change affects a tax rate or a collection or reporting procedure
 1052 which affects a substantial number of dealers or persons subject
 1053 to the tax change or procedure. The Legislature finds that such
 1054 circumstances qualify as an exception to the prerequisite of a
 1055 finding of immediate danger to the public health, safety, or
 1056 welfare as set forth in s. 120.54(4) (a) and qualify as
 1057 circumstances requiring an emergency rule. Emergency rules
 1058 adopted under this subsection are exempt from s. 120.54(4) (c),
 1059 remain in effect for 6 months or until replaced by rules adopted
 1060 under the nonemergency rulemaking procedures of the
 1061 Administrative Procedure Act, and may be renewed during the
 1062 pendency of procedures to adopt permanent rules addressing the
 1063 subject of the emergency rules.

1064 (3) The grants of rulemaking authority in subsections (1)
 1065 and (2) are sufficient to allow the department to adopt rules
 1066 implementing all revenue laws administered by the department.
 1067 Each revenue law administered by the department is an enabling
 1068 statute authorizing the department to implement it, regardless
 1069 of whether the enabling statute contains its own grant of
 1070 rulemaking authority.

1071 Section 15. Paragraph (b) of subsection (1) and paragraph
 1072 (a) of subsection (3) of section 213.21, Florida Statutes, are
 1073 amended, and subsections (11) and (12) are added to that

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1074 section, to read:

1075 213.21 Informal conferences; compromises.—

1076 (1)

1077 (b) The statute of limitations upon the issuance of ~~final~~
 1078 assessments and the period for filing a claim for refund as
 1079 required by s. 215.26(2) for any transactions occurring during
 1080 the audit period shall be tolled during the period in which the
 1081 taxpayer is engaged in a procedure under this section.

1082 (3) (a) A taxpayer's liability for any tax or interest
 1083 specified in s. 72.011(1) may be compromised by the department
 1084 upon the grounds of doubt as to liability for or collectibility
 1085 of such tax or interest. A taxpayer's liability for interest
 1086 under any of the chapters specified in s. 72.011(1) shall be
 1087 settled or compromised in whole or in part whenever or to the
 1088 extent that the department determines that the delay in the
 1089 determination of the amount due is attributable to the action or
 1090 inaction of the department. A taxpayer's liability for penalties
 1091 under any of the chapters specified in s. 72.011(1) greater than
 1092 25 percent of the tax must ~~may~~ be settled or compromised if ~~it~~
 1093 ~~is determined by~~ the department determines that the
 1094 noncompliance is not due to ~~reasonable cause and not to~~ willful
 1095 negligence, willful neglect, or fraud. There is a rebuttable
 1096 presumption that a taxpayer's noncompliance is due to willful
 1097 negligence, willful neglect, or fraud when adequate records as
 1098 requested by the department are not provided to the department
 1099 before the issuance of an assessment. In addition, a taxpayer's
 1100 liability for penalties under any of the chapters specified in
 1101 s. 72.011(1) up to and including 25 percent of the tax may be
 1102 settled or compromised if the department determines that

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1103 reasonable cause exists and the penalties greater than 25
 1104 percent of the tax were compromised because the noncompliance is
 1105 not due to willful negligence, willful neglect, or fraud. The
 1106 facts and circumstances are subject to de novo review to
 1107 determine the existence of reasonable cause in any
 1108 administrative proceeding or judicial action challenging an
 1109 assessment of penalty under any of the chapters specified in s.
 1110 72.011(1). A taxpayer who establishes reasonable reliance on the
 1111 written advice issued by the department to the taxpayer ~~is will~~
 1112 ~~be~~ deemed to have shown reasonable cause for the noncompliance.
 1113 ~~In addition, a taxpayer's liability for penalties under any of~~
 1114 ~~the chapters specified in s. 72.011(1) in excess of 25 percent~~
 1115 ~~of the tax shall be settled or compromised if the department~~
 1116 ~~determines that the noncompliance is due to reasonable cause and~~
 1117 ~~not to willful negligence, willful neglect, or fraud.~~ The
 1118 department shall maintain records of all compromises, and the
 1119 records shall state the basis for the compromise. The records of
 1120 compromise under this paragraph ~~are shall not be~~ subject to
 1121 disclosure pursuant to s. 119.07(1) and ~~are shall be~~ considered
 1122 confidential information governed by ~~the provisions of~~ s.
 1123 213.053.

1124 (11) Following the expiration of time for a taxpayer to
 1125 challenge an assessment as provided in s. 72.011, the department
 1126 may consider a request to settle or compromise any tax,
 1127 interest, penalty, or other liability under this section if the
 1128 taxpayer demonstrates that the failure to initiate a timely
 1129 challenge was due to a qualified event that directly impacted
 1130 compliance with that section. For purposes of this subsection, a
 1131 qualified event is limited to the occurrence of events during an

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1132 audit or the expired protest period which were beyond the
 1133 control of the taxpayer, including the death or life-threatening
 1134 injury or illness of the taxpayer or an immediate family member
 1135 of the taxpayer; the death or life-threatening injury or illness
 1136 of the responsible party that controlled, managed, or directed
 1137 the affected business entity; acts of war or terrorism; natural
 1138 disasters; fire; or other catastrophic loss. The department may
 1139 not consider a request received more than 180 days after the
 1140 expiration of time allowed under s. 72.011.

1141 (12) Any decision by the department regarding a taxpayer's
 1142 request to compromise or settle a liability under this section
 1143 is not a final order subject to review under chapter 120.

1144 Section 16. Section 213.34, Florida Statutes, is amended to
 1145 read:

1146 213.34 Authority to audit.—

1147 (1) The Department of Revenue may ~~shall have the authority~~
 1148 ~~to~~ audit and examine the accounts, books, or records of all
 1149 persons ~~who are~~ subject to a revenue law made applicable to this
 1150 chapter, or otherwise placed under the control and
 1151 administration of the department, for the purpose of
 1152 ascertaining the correctness of any return which has been filed
 1153 or payment which has been made, or for the purpose of making a
 1154 return where none has been made.

1155 (2) The department, or its duly authorized agents, may
 1156 inspect such books and records necessary to ascertain a
 1157 taxpayer's compliance with the revenue laws of this state,
 1158 provided that the department's power to make an assessment or
 1159 grant a refund has not terminated under s. 95.091(3).

1160 (a) During the course of an audit, but before the issuance

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1161 of an assessment other than a jeopardy assessment, the
 1162 department shall issue to the taxpayer a notice explaining the
 1163 audit findings. No later than 14 days after the issuance of the
 1164 notice, the taxpayer may request in writing an exit conference
 1165 at a mutually agreeable date and time with the department's
 1166 audit staff to discuss the audit findings. The exit conference
 1167 must be conducted no later than 30 days after the date of the
 1168 notice, unless the taxpayer and the department enter into an
 1169 agreement to extend the audit tolling period pursuant to s.
 1170 213.23. The taxpayer shall be given an opportunity at or before
 1171 the exit conference to provide additional information and
 1172 documents to the department to rebut the audit findings. Upon
 1173 the mutual written agreement between the department and the
 1174 taxpayer to extend the audit tolling period pursuant to s.
 1175 213.23, the exit conference may be continued to allow the
 1176 taxpayer additional time to provide information and documents to
 1177 the department. The department shall review any information
 1178 provided by the taxpayer and, if the department revises the
 1179 audit findings, a copy of the revised audit findings must be
 1180 provided to the taxpayer. Such revision of the audit findings
 1181 does not provide a right to any additional conference.

1182 (b) If an exit conference is timely requested in writing,
 1183 the limitations in s. 95.091(3) are tolled an additional 30
 1184 days. If the department fails to offer a taxpayer the
 1185 opportunity to hold an exit conference despite a timely written
 1186 request, the limitations period in s. 95.091(3) may not be
 1187 tolled for the additional 30 days. If the assessment is issued
 1188 outside of the limitations period, the assessment must be
 1189 reduced by the amount of those taxes, penalties, and interest

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1190 for reporting periods outside of the limitations period, as
 1191 modified by any other tolling or extension provisions.

1192 (c) If a request for an exit conference is not timely made,
 1193 the right to a conference is waived. A taxpayer may also
 1194 affirmatively waive its right to an exit conference. Failure to
 1195 hold an exit conference does not preclude the department from
 1196 issuing an assessment.

1197 (d) The department may adopt rules to implement this
 1198 subsection.

1199 (3) The department may correct by credit or refund any
 1200 overpayment of tax, penalty, or interest revealed by an audit
 1201 and shall make assessment of any deficiency in tax, penalty, or
 1202 interest determined to be due.

1203 (4) Notwithstanding ~~the provisions of~~ s. 215.26, the
 1204 department shall offset the overpayment of any tax during an
 1205 audit period against a deficiency of any tax, penalty, or
 1206 interest determined to be due during the same audit period.

1207 (5) After the application of subsection (4), if the
 1208 department's audit finds that the tax paid is more than the
 1209 correct amount, the department must refund the overpayment that
 1210 is within the applicable period provided by s. 215.26. Such
 1211 action by the department does not prevent a taxpayer from
 1212 challenging the amount of the refund pursuant to chapter 120 and
 1213 this chapter or applying for a refund of additional tax within
 1214 the applicable period.

1215 Section 17. Section 213.345, Florida Statutes, is amended
 1216 to read:

1217 213.345 Tolling of periods during an audit.—The limitations
 1218 in s. 95.091(3) and the period for filing a claim for refund as

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1219 required by s. 215.26(2) ~~are shall be~~ tolled for a period of 1
 1220 year if the Department of Revenue has, on or after July 1, 1999,
 1221 issued a notice of intent to conduct an audit or investigation
 1222 of the taxpayer's account within the applicable period of time.
 1223 The 1-year period is tolled upon receipt of written objections
 1224 to the subpoena and for the entire pendency of any action that
 1225 seeks an order to enforce compliance with or to challenge any
 1226 subpoena issued by the department compelling the attendance and
 1227 testimony of witnesses and the production of books, records,
 1228 written materials, and electronically recorded information. The
 1229 department must commence an audit within 120 days after it
 1230 issues a notice of intent to conduct an audit, unless the
 1231 taxpayer requests a delay. If the taxpayer does not request a
 1232 delay and the department does not begin the audit within 120
 1233 days after issuing the notice, the tolling period terminates
 1234 ~~shall terminate~~ unless the taxpayer and the department enter
 1235 into an agreement to extend the period pursuant to s. 213.23. If
 1236 the department issues a notice explaining its audit findings
 1237 under s. 213.34(2) (a) based on an estimate because the taxpayer
 1238 has failed or refuses to provide records, the audit will be
 1239 deemed to have commenced for purposes of this section. In the
 1240 event the department issues an assessment beyond the tolling
 1241 period, the assessment will be considered late and the
 1242 assessment shall be reduced by the amount of those taxes,
 1243 penalties, and interest for reporting periods outside of the
 1244 limitations period, as modified by any other tolling or
 1245 extension provisions.

1246 Section 18. Subsections (1), (3), and (6) of section
 1247 213.67, Florida Statutes, are amended to read:

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1248 213.67 Garnishment.—
 1249 (1) If a person is delinquent in the payment of any taxes,
 1250 penalties, ~~and~~ interest, additional daily accrued interest,
 1251 costs, and fees owed to the department, the executive director
 1252 or his or her designee may give notice of the amount of such
 1253 delinquency by registered mail, by personal service, or by
 1254 electronic means, including, but not limited to, facsimile
 1255 transmissions, electronic data interchange, or use of the
 1256 Internet, to all persons having in their possession or under
 1257 their control any credits or personal property, exclusive of
 1258 wages, belonging to the delinquent taxpayer, or owing any debts
 1259 to such delinquent taxpayer at the time of receipt by them of
 1260 such notice. Thereafter, any person ~~who has been~~ notified may
 1261 not transfer or make any other disposition of such credits,
 1262 other personal property, or debts until the executive director
 1263 or his or her designee consents to a transfer or disposition or
 1264 until 60 days after the receipt of such notice. However, the
 1265 credits, other personal property, or debts that exceed the
 1266 delinquent amount stipulated in the notice are not subject to
 1267 this section, wherever held, if the taxpayer does not have a
 1268 prior history of tax delinquencies. If during the effective
 1269 period of the notice to withhold, any person so notified makes
 1270 any transfer or disposition of the property or debts required to
 1271 be withheld under this section, he or she is liable to the state
 1272 for any indebtedness owed to the department by the person with
 1273 respect to whose obligation the notice was given to the extent
 1274 of the value of the property or the amount of the debts thus
 1275 transferred or paid if, solely by reason of such transfer or
 1276 disposition, the state is unable to recover the indebtedness of

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1277 the person with respect to whose obligation the notice was
 1278 given. If the delinquent taxpayer contests the intended levy in
 1279 circuit court or under chapter 120, the notice under this
 1280 section remains effective until that final resolution of the
 1281 contest. Any financial institution receiving such notice
 1282 ~~maintains will maintain~~ a right of setoff for any transaction
 1283 involving a debit card occurring on or before the date of
 1284 receipt of such notice.

1285 (3) During the last 30 days of the 60-day period set forth
 1286 in subsection (1), the executive director or his or her designee
 1287 may levy upon such credits, other personal property, or debts.
 1288 The levy must be accomplished by delivery of a notice of levy by
 1289 registered mail, by personal service, or by electronic means,
 1290 including, but not limited to, facsimile transmission,
 1291 electronic data exchange, or use of the Internet. Upon receipt
 1292 of the notice of levy, ~~which~~ the person possessing the credits,
 1293 other personal property, or debts shall transfer them to the
 1294 department or pay to the department the amount owed to the
 1295 delinquent taxpayer.

1296 (6) (a) Levy may be made under subsection (3) upon credits,
 1297 other personal property, or debt of any person with respect to
 1298 any unpaid tax, penalties, ~~and~~ interest, additional daily
 1299 accrued interest, costs, and fees only after the executive
 1300 director or his or her designee has notified such person in
 1301 writing of the intention to make such levy.

1302 (b) No less than 30 days before the day of the levy, the
 1303 notice of intent to levy required under paragraph (a) ~~must shall~~
 1304 be given in person or sent by certified or registered mail to
 1305 the person's last known address.

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1306 (c) The notice required in paragraph (a) must include a
 1307 brief statement that sets forth in simple and nontechnical
 1308 terms:
 1309 1. The provisions of this section relating to levy and sale
 1310 of property;
 1311 2. The procedures applicable to the levy under this
 1312 section;
 1313 3. The administrative and judicial appeals available to the
 1314 taxpayer with respect to such levy and sale, and the procedures
 1315 relating to such appeals; and
 1316 4. Any ~~The alternatives, if any,~~ available to taxpayers
 1317 which could prevent levy on the property.

1318 Section 19. Section 220.42, Florida Statutes, is amended to
 1319 read:

1320 220.42 Methods of accounting.—

1321 (1) For purposes of this code, a taxpayer's method of
 1322 accounting ~~must shall~~ be the same as such taxpayer's method of
 1323 accounting for federal income tax purposes, ~~except as provided~~
 1324 ~~in subsection (3).~~ If no method of accounting has been regularly
 1325 used by a taxpayer, net income for purposes of this code must
 1326 ~~shall~~ be computed by the such method that as in the opinion of
 1327 the department determines most fairly reflects income.

1328 (2) If a taxpayer's method of accounting is changed for
 1329 federal income tax purposes, the taxpayer's method of accounting
 1330 for purposes of this code ~~must shall~~ be similarly changed.

1331 ~~(3) Any taxpayer which has elected for federal income tax~~
 1332 ~~purposes to report any portion of its income on the completed~~
 1333 ~~contract method of accounting under Treasury Regulation 1.451-~~
 1334 ~~3(b) (2) may elect to return the income so reported on the~~

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1335 ~~percentage of completion method of accounting under Treasury~~
 1336 ~~Regulation 1.451-3(b)(1), provided the taxpayer regularly~~
 1337 ~~maintains its books of account and reports to its shareholders~~
 1338 ~~on the percentage of completion method. The election provided by~~
 1339 ~~this subsection shall be allowed only if it is made, in such~~
 1340 ~~manner as the department may prescribe, not later than the due~~
 1341 ~~date, including any extensions thereof, for filing a return for~~
 1342 ~~the taxpayer's first taxable year under this code in which a~~
 1343 ~~portion of its income is returned on the completed contract~~
 1344 ~~method of accounting for federal tax purposes. An election made~~
 1345 ~~pursuant to this subsection shall apply to all subsequent~~
 1346 ~~taxable years of the taxpayers unless the department consents in~~
 1347 ~~writing to its revocation.~~

1348 Section 20. Subsection (4) is added to section 220.735,
 1349 Florida Statutes, to read:

1350 220.735 Production of witnesses and records.—

1351 (4) The failure of a taxpayer to provide documents
 1352 available to, or required to be kept by, the taxpayer and
 1353 requested by a subpoena issued under this section creates a
 1354 presumption that the resulting proposed final agency action by
 1355 the department, as to the requested documents, is correct and
 1356 that the requested documents not produced by the taxpayer would
 1357 be adverse to the taxpayer's position as to the proposed final
 1358 agency action. The department may create estimates for purposes
 1359 of assessment if a taxpayer fails to provide documents requested
 1360 by a subpoena issued under this section.

1361 Section 21. Paragraph (e) of subsection (3) of section
 1362 443.131, Florida Statutes, is amended to read:

1363 443.131 Contributions.—

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1364 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
 1365 EXPERIENCE.—

1366 (e) *Assignment of variations from the standard rate.*—

1367 1. As used in this paragraph, the terms "total benefit
 1368 payments," "benefits paid to an individual," and "benefits
 1369 charged to the employment record of an employer" mean the amount
 1370 of benefits paid to individuals multiplied by:

- 1371 a. For benefits paid ~~before~~ prior to July 1, 2007, 1.
- 1372 b. For benefits paid during the period beginning on July 1,
 1373 2007, and ending March 31, 2011, 0.90.
- 1374 c. For benefits paid after March 31, 2011, 1.
- 1375 d. For benefits paid during the period beginning April 1,
 1376 2020, and ending December 31, 2020, 0.
- 1377 e. For benefits paid during the period beginning January 1,
 1378 2021, and ending June 30, 2021, 1, except as otherwise adjusted
 1379 in accordance with paragraph (f).

1380 2. For the calculation of contribution rates effective
 1381 January 1, 2012, and thereafter:

- 1382 a. The tax collection service provider shall assign a
 1383 variation from the standard rate of contributions for each
 1384 calendar year to each eligible employer. In determining the
 1385 contribution rate, varying from the standard rate to be assigned
 1386 each employer, adjustment factors computed under sub-sub-
 1387 subparagraphs (I)-(IV) are added to the benefit ratio. This
 1388 addition shall be accomplished in two steps by adding a variable
 1389 adjustment factor and a final adjustment factor. The sum of
 1390 these adjustment factors computed under sub-sub-subparagraphs
 1391 (I)-(IV) shall first be algebraically summed. The sum of these
 1392 adjustment factors shall next be divided by a gross benefit

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1393 ratio determined as follows: Total benefit payments for the 3-
 1394 year period described in subparagraph (b)3. are charged to
 1395 employers eligible for a variation from the standard rate, minus
 1396 excess payments for the same period, divided by taxable payroll
 1397 entering into the computation of individual benefit ratios for
 1398 the calendar year for which the contribution rate is being
 1399 computed. The ratio of the sum of the adjustment factors
 1400 computed under sub-sub-subparagraphs (I)-(IV) to the gross
 1401 benefit ratio is multiplied by each individual benefit ratio
 1402 that is less than the maximum contribution rate to obtain
 1403 variable adjustment factors; except that if the sum of an
 1404 employer's individual benefit ratio and variable adjustment
 1405 factor exceeds the maximum contribution rate, the variable
 1406 adjustment factor is reduced in order for the sum to equal the
 1407 maximum contribution rate. The variable adjustment factor for
 1408 each of these employers is multiplied by his or her taxable
 1409 payroll entering into the computation of his or her benefit
 1410 ratio. The sum of these products is divided by the taxable
 1411 payroll of the employers who entered into the computation of
 1412 their benefit ratios. The resulting ratio is subtracted from the
 1413 sum of the adjustment factors computed under sub-sub-
 1414 subparagraphs (I)-(IV) to obtain the final adjustment factor.
 1415 The variable adjustment factors and the final adjustment factor
 1416 must be computed to five decimal places and rounded to the
 1417 fourth decimal place. This final adjustment factor is added to
 1418 the variable adjustment factor and benefit ratio of each
 1419 employer to obtain each employer's contribution rate. An
 1420 employer's contribution rate may not, however, be rounded to
 1421 less than 0.1 percent. In determining the contribution rate,

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1422 varying from the standard rate to be assigned, the computation
 1423 shall exclude any benefit that is excluded by the multipliers
 1424 under subparagraph (b)2. and subparagraph 1. for rates effective
 1425 January 1, 2021, through December 31, 2025, notwithstanding the
 1426 repeal of subparagraph 5. as provided in chapter 2021-2, Laws of
 1427 Florida. The computation of the contribution rate, varying from
 1428 the standard rate to be assigned, shall also exclude any benefit
 1429 paid as a result of a governmental order related to COVID-19 to
 1430 close or reduce capacity of a business. In addition, the
 1431 contribution rate for the 2021 and 2022 calendar years shall be
 1432 calculated without the application of the positive adjustment
 1433 factor in sub-sub-subparagraph (III).

(I) An adjustment factor for noncharge benefits is computed
 1434 to the fifth decimal place and rounded to the fourth decimal
 1435 place by dividing the amount of noncharge benefits during the 3-
 1436 year period described in subparagraph (b)3. by the taxable
 1437 payroll of employers eligible for a variation from the standard
 1438 rate who have a benefit ratio for the current year which is less
 1439 than the maximum contribution rate. For purposes of computing
 1440 this adjustment factor, the taxable payroll of these employers
 1441 is the taxable payrolls for the 3 years ending June 30 of the
 1442 current calendar year as reported to the tax collection service
 1443 provider by September 30 of the same calendar year. As used in
 1444 this sub-sub-subparagraph, the term "noncharge benefits" means
 1445 benefits paid to an individual, as adjusted pursuant to
 1446 subparagraph (b)2. and subparagraph 1., from the Unemployment
 1447 Compensation Trust Fund which were not charged to the employment
 1448 record of any employer, but excluding any benefit paid as a
 1449 result of a governmental order related to COVID-19 to close or
 1450

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1451 reduce capacity of a business.

1452 (II) An adjustment factor for excess payments is computed
 1453 to the fifth decimal place, and rounded to the fourth decimal
 1454 place by dividing the total excess payments during the 3-year
 1455 period described in subparagraph (b)3. by the taxable payroll of
 1456 employers eligible for a variation from the standard rate who
 1457 have a benefit ratio for the current year which is less than the
 1458 maximum contribution rate. For purposes of computing this
 1459 adjustment factor, the taxable payroll of these employers is the
 1460 same figure used to compute the adjustment factor for noncharge
 1461 benefits under sub-sub-subparagraph (I). As used in this sub-
 1462 subparagraph, the term "excess payments" means the amount of
 1463 benefits charged to the employment record of an employer, as
 1464 adjusted pursuant to subparagraph (b)2. and subparagraph 1.,
 1465 during the 3-year period described in subparagraph (b)3., but
 1466 excluding any benefit paid as a result of a governmental order
 1467 related to COVID-19 to close or reduce capacity of a business,
 1468 less the product of the maximum contribution rate and the
 1469 employer's taxable payroll for the 3 years ending June 30 of the
 1470 current calendar year as reported to the tax collection service
 1471 provider by September 30 of the same calendar year. As used in
 1472 this sub-sub-subparagraph, the term "total excess payments"
 1473 means the sum of the individual employer excess payments for
 1474 those employers that were eligible for assignment of a
 1475 contribution rate different from the standard rate.

1476 (III) With respect to computing a positive adjustment
 1477 factor:

1478 (A) Beginning January 1, 2012, if the balance of the
 1479 Unemployment Compensation Trust Fund on September 30 of the

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1480 calendar year immediately preceding the calendar year for which
 1481 the contribution rate is being computed is less than 4 percent
 1482 of the taxable payrolls for the year ending June 30 as reported
 1483 to the tax collection service provider by September 30 of that
 1484 calendar year, a positive adjustment factor shall be computed.
 1485 The positive adjustment factor is computed annually to the fifth
 1486 decimal place and rounded to the fourth decimal place by
 1487 dividing the sum of the total taxable payrolls for the year
 1488 ending June 30 of the current calendar year as reported to the
 1489 tax collection service provider by September 30 of that calendar
 1490 year into a sum equal to one-fifth of the difference between the
 1491 balance of the fund as of September 30 of that calendar year and
 1492 the sum of 5 percent of the total taxable payrolls for that
 1493 year. The positive adjustment factor remains in effect for
 1494 subsequent years until the balance of the Unemployment
 1495 Compensation Trust Fund as of September 30 of the year
 1496 immediately preceding the effective date of the contribution
 1497 rate equals or exceeds 4 percent of the taxable payrolls for the
 1498 year ending June 30 of the current calendar year as reported to
 1499 the tax collection service provider by September 30 of that
 1500 calendar year.

1501 (B) Beginning January 1, 2018, and for each year
 1502 thereafter, the positive adjustment shall be computed by
 1503 dividing the sum of the total taxable payrolls for the year
 1504 ending June 30 of the current calendar year as reported to the
 1505 tax collection service provider by September 30 of that calendar
 1506 year into a sum equal to one-fourth of the difference between
 1507 the balance of the fund as of September 30 of that calendar year
 1508 and the sum of 5 percent of the total taxable payrolls for that

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 1509 year. The positive adjustment factor remains in effect for
 1510 subsequent years until the balance of the Unemployment
 1511 Compensation Trust Fund as of September 30 of the year
 1512 immediately preceding the effective date of the contribution
 1513 rate equals or exceeds 4 percent of the taxable payrolls for the
 1514 year ending June 30 of the current calendar year as reported to
 1515 the tax collection service provider by September 30 of that
 1516 calendar year.

1517 (IV) If, beginning January 1, 2015, and each year
 1518 thereafter, the balance of the Unemployment Compensation Trust
 1519 Fund as of September 30 of the year immediately preceding the
 1520 calendar year for which the contribution rate is being computed
 1521 exceeds 5 percent of the taxable payrolls for the year ending
 1522 June 30 of the current calendar year as reported to the tax
 1523 collection service provider by September 30 of that calendar
 1524 year, a negative adjustment factor must be computed. The
 1525 negative adjustment factor shall be computed annually beginning
 1526 on January 1, 2015, and each year thereafter, to the fifth
 1527 decimal place and rounded to the fourth decimal place by
 1528 dividing the sum of the total taxable payrolls for the year
 1529 ending June 30 of the current calendar year as reported to the
 1530 tax collection service provider by September 30 of the calendar
 1531 year into a sum equal to one-fourth of the difference between
 1532 the balance of the fund as of September 30 of the current
 1533 calendar year and 5 percent of the total taxable payrolls of
 1534 that year. The negative adjustment factor remains in effect for
 1535 subsequent years until the balance of the Unemployment
 1536 Compensation Trust Fund as of September 30 of the year
 1537 immediately preceding the effective date of the contribution

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 1538 rate is less than 5 percent, but more than 4 percent of the
 1539 taxable payrolls for the year ending June 30 of the current
 1540 calendar year as reported to the tax collection service provider
 1541 by September 30 of that calendar year. The negative adjustment
 1542 authorized by this section is suspended in any calendar year in
 1543 which repayment of the principal amount of an advance received
 1544 from the federal Unemployment Compensation Trust Fund under 42
 1545 U.S.C. s. 1321 is due to the Federal Government.

1546 (V) The maximum contribution rate that may be assigned to
 1547 an employer is 5.4 percent, except employers participating in an
 1548 approved short-time compensation plan may be assigned a maximum
 1549 contribution rate that is 1 percent greater than the maximum
 1550 contribution rate for other employers in any calendar year in
 1551 which short-time compensation benefits are charged to the
 1552 employer's employment record.

1553 (VI) As used in this subsection, "taxable payroll" shall be
 1554 determined by excluding any part of the remuneration paid to an
 1555 individual by an employer for employment during a calendar year
 1556 in excess of the first \$7,000. Beginning January 1, 2012,
 1557 "taxable payroll" shall be determined by excluding any part of
 1558 the remuneration paid to an individual by an employer for
 1559 employment during a calendar year as described in s.
 1560 443.1217(2). For the purposes of the employer rate calculation
 1561 that will take effect in January 1, 2012, and in January 1,
 1562 2013, the tax collection service provider shall use the data
 1563 available for taxable payroll from 2009 based on excluding any
 1564 part of the remuneration paid to an individual by an employer
 1565 for employment during a calendar year in excess of the first
 1566 \$7,000, and from 2010 and 2011, the data available for taxable

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1567 payroll based on excluding any part of the remuneration paid to
 1568 an individual by an employer for employment during a calendar
 1569 year in excess of the first \$8,500.

1570 b. If the transfer of an employer's employment record to an
 1571 employing unit under paragraph (g) which, before the transfer,
 1572 was an employer, the tax collection service provider shall
 1573 recompute a benefit ratio for the successor employer based on
 1574 the combined employment records and reassign an appropriate
 1575 contribution rate to the successor employer effective on the
 1576 first day of the calendar quarter immediately after the
 1577 effective date of the transfer.

1578 3. The tax collection service provider shall reissue rates
 1579 for the 2021 calendar year. However, an employer shall continue
 1580 to timely file its employer's quarterly reports and pay the
 1581 contributions due in a timely manner in accordance with the
 1582 rules of the Department of Economic Opportunity. The Department
 1583 of Revenue shall post the revised rates on its website to enable
 1584 employers to securely review the revised rates. For
 1585 contributions for the first quarter of the 2021 calendar year,
 1586 if any employer remits to the tax collection service provider an
 1587 amount in excess of the amount that would be due as calculated
 1588 pursuant to this paragraph, the tax collection service provider
 1589 shall refund the excess amount from the amount erroneously
 1590 collected. Notwithstanding s. 443.141(6), refunds issued through
 1591 August 31, 2021, for first quarter 2021 contributions must be
 1592 paid from the General Revenue Fund.

1593 4. The tax collection service provider shall calculate and
 1594 assign contribution rates effective January 1, 2022, through
 1595 December 31, 2022, excluding any benefit charge that is excluded

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1596 by the multipliers under subparagraph (b)2. and subparagraph 1.;
 1597 without the application of the positive adjustment factor in
 1598 sub-sub-subparagraph 2.a.(III); and without the inclusion of any
 1599 benefit charge directly related to COVID-19 as a result of a
 1600 governmental order to close or reduce capacity of a business, as
 1601 determined by the Department of Economic Opportunity, for each
 1602 employer ~~who is~~ eligible for a variation from the standard rate
 1603 pursuant to paragraph (d). The Department of Economic
 1604 Opportunity shall provide the tax collection service provider
 1605 with all necessary benefit charge information by August 1, 2021,
 1606 including specific information for adjustments related to COVID-
 1607 19 charges resulting from a governmental order to close or
 1608 reduce capacity of a business, to enable the tax collection
 1609 service provider to calculate and issue tax rates effective
 1610 January 1, 2022. The tax collection service provider shall
 1611 calculate and post rates for the 2022 calendar year by March 1,
 1612 2022.

1613 5. Subject to subparagraph 6., the tax collection service
 1614 provider shall calculate and assign contribution rates effective
 1615 January 1, 2023, through December 31, 2025, excluding any
 1616 benefit charge that is excluded by the multipliers under
 1617 subparagraph (b)2. and subparagraph 1.; without the application
 1618 of the positive adjustment factor in sub-sub-subparagraph
 1619 2.a.(III); and without the inclusion of any benefit charge
 1620 directly related to COVID-19 as a result of a governmental order
 1621 to close or reduce capacity of a business, as determined by the
 1622 Department of Economic Opportunity, for each employer ~~who is~~
 1623 eligible for a variation from the standard rate pursuant to
 1624 paragraph (d). The Department of Economic Opportunity shall

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1625 provide the tax collection service provider with all necessary
 1626 benefit charge information by August 1 of each year, including
 1627 specific information for adjustments related to COVID-19 charges
 1628 resulting from a governmental order to close or reduce capacity
 1629 of a business, to enable the tax collection service provider to
 1630 calculate and issue tax rates effective the following January.

1631 6. If the balance of the Unemployment Compensation Trust
 1632 Fund on June 30 of any year exceeds \$4,071,519,600, subparagraph
 1633 5. is repealed for rates effective the following years. The
 1634 Office of Economic and Demographic Research shall advise the tax
 1635 collection service provider of the balance of the trust fund on
 1636 June 30 by August 1 of that year. After the repeal of
 1637 subparagraph 5. and notwithstanding the dates specified in that
 1638 subparagraph, the tax collection service provider shall
 1639 calculate and assign contribution rates for each subsequent
 1640 calendar year as otherwise provided in this section.

1641 Section 22. Paragraph (a) of subsection (9) of section
 1642 443.171, Florida Statutes, is amended to read:

1643 443.171 Department of Economic Opportunity and commission;
 1644 powers and duties; records and reports; proceedings; state-
 1645 federal cooperation.-

1646 (9) STATE-FEDERAL COOPERATION.-

1647 (a)1. In the administration of this chapter, the Department
 1648 of Economic Opportunity and its tax collection service provider
 1649 shall cooperate with the United States Department of Labor to
 1650 the fullest extent consistent with this chapter and shall take
 1651 those actions, through the adoption of appropriate rules,
 1652 administrative methods, and standards, necessary to secure for
 1653 this state all advantages available under the provisions of

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1654 federal law relating to reemployment assistance.

1655 2. In the administration of the provisions in s. 443.1115,
 1656 which are enacted to conform with the Federal-State Extended
 1657 Unemployment Compensation Act of 1970, the department shall take
 1658 those actions necessary to ensure that those provisions are
 1659 interpreted and applied to meet the requirements of the federal
 1660 act as interpreted by the United States Department of Labor and
 1661 to secure for this state the full reimbursement of the federal
 1662 share of extended benefits paid under this chapter which is
 1663 reimbursable under the federal act.

1664 3. The department and its tax collection service provider
 1665 shall comply with the regulations of the United States
 1666 Department of Labor relating to the receipt or expenditure by
 1667 this state of funds granted under federal law; shall submit the
 1668 reports in the form and containing the information the United
 1669 States Department of Labor requires; and shall comply with
 1670 directions of the United States Department of Labor necessary to
 1671 assure the correctness and verification of these reports.

1672 4. The department and its tax collection service provider
 1673 shall comply with the requirements of the federal Treasury
 1674 Offset Program as it pertains to the recovery of unemployment
 1675 compensation debts as required by the United States Department
 1676 of Labor pursuant to 26 U.S.C. s. 6402. The department or the
 1677 tax collection service provider may adopt rules to implement
 1678 this subparagraph.

1679 Section 23. Effective January 1, 2023, paragraph (b) of
 1680 subsection (1) of section 624.515, Florida Statutes, is amended
 1681 to read:

1682 624.515 State Fire Marshal regulatory assessment and

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1683 surcharge; levy and amount.-

1684 (1)

1685 (b) 1. Annually before the due date of the first
 1686 installment, the department, with the assistance of the office,
 1687 shall make available in an electronic format or otherwise the
 1688 percentage of fire insurance contained in lines of insurance for
 1689 the industry for that taxable year. The percentages determined
 1690 by the office are exempt from chapter 120.

1691 2. Insurers may choose to use their own previous 5 years of
 1692 loss experience or rate filings that have been approved by the
 1693 office instead of using the percentages provided by the
 1694 department pursuant to subparagraph 1. However, if an insurer
 1695 chooses not to use the percentages provided by the department,
 1696 it must use the same alternative method for all lines of
 1697 business, continue using the method for a minimum of 3
 1698 consecutive tax years, and attach documentation of the
 1699 calculation and determination to the tax return ~~When it is~~
 1700 impractical, due to the nature of the business practices within
 1701 the insurance industry, to determine the percentage of fire
 1702 insurance contained within a line of insurance written by an
 1703 insurer on risks located or resident in Florida, the Department
 1704 of Revenue may establish by rule such percentages for the
 1705 industry. The Department of Revenue may also amend the
 1706 percentages as the insurance industry changes its practices
 1707 concerning the portion of fire insurance within a line of
 1708 insurance.

1709 Section 24. Paragraph (c) of subsection (1) of section
 1710 220.183, Florida Statutes, is amended to read:

1711 220.183 Community contribution tax credit.-

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1712 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX

1713 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM

1714 SPENDING.-

1715 (c) The total amount of tax credit which may be granted for
 1716 all programs approved under this section, ~~s. 212.08(5)(o) or~~
 1717 ~~212.08(5)(p)~~, and s. 624.5105 is \$12.5 million in the 2018-2019
 1718 fiscal year, \$13.5 million in the 2019-2020 fiscal year, and
 1719 \$10.5 million in each fiscal year thereafter for projects that
 1720 provide housing opportunities for persons with special needs as
 1721 defined in s. 420.0004 and homeownership opportunities for low-
 1722 income households or very-low-income households as defined in s.
 1723 420.9071 and \$3.5 million each fiscal year for all other
 1724 projects.

1725 Section 25. Paragraph (c) of subsection (2) of section
 1726 288.0001, Florida Statutes, is amended to read:

1727 288.0001 Economic Development Programs Evaluation.-The
 1728 Office of Economic and Demographic Research and the Office of
 1729 Program Policy Analysis and Government Accountability (OPPAGA)
 1730 shall develop and present to the Governor, the President of the
 1731 Senate, the Speaker of the House of Representatives, and the
 1732 chairs of the legislative appropriations committees the Economic
 1733 Development Programs Evaluation.

1734 (2) The Office of Economic and Demographic Research and
 1735 OPPAGA shall provide a detailed analysis of economic development
 1736 programs as provided in the following schedule:

1737 (c) By January 1, 2016, and every 3 years thereafter, an
 1738 analysis of the following:

1739 1. The qualified defense contractor and space flight
 1740 business tax refund program established under s. 288.1045.

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1741 2. The tax exemption for semiconductor, defense, or space
 1742 technology sales established under s. 212.08(5)(i) ~~s.~~
 1743 ~~212.08(5)(j)~~.

1744 3. The Military Base Protection Program established under
 1745 s. 288.980.

1746 4. The Quick Response Training Program established under s.
 1747 288.047.

1748 5. The Incumbent Worker Training Program established under
 1749 s. 445.003.

1750 6. International trade and business development programs
 1751 established or funded under s. 288.826.

1752 Section 26. Paragraph (a) of subsection (9) of section
 1753 290.0056, Florida Statutes, is amended to read:

1754 290.0056 Enterprise zone development agency.—

1755 (9) The following powers and responsibilities shall be
 1756 performed by the governing body creating the enterprise zone
 1757 development agency acting as the managing agent of the
 1758 enterprise zone development agency, or, contingent upon approval
 1759 by such governing body, such powers and responsibilities shall
 1760 be performed by the enterprise zone development agency:

1761 (a) To review, process, and certify applications for state
 1762 enterprise zone tax incentives pursuant to ss. 212.08(5)(g) and
 1763 (15); 212.096; 220.181; and 220.182 ~~ss. 212.08(5)(g), (h), and~~
 1764 ~~(15); 212.096; 220.181; and 220.182~~.

1765 Section 27. Subsections (4) and (5) of section 290.007,
 1766 Florida Statutes, are amended to read:

1767 290.007 State incentives available in enterprise zones.—The
 1768 following incentives are provided by the state to encourage the
 1769 revitalization of enterprise zones:

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1770 (4) ~~The sales tax exemption for building materials used in~~
 1771 ~~the rehabilitation of real property in enterprise zones provided~~
 1772 ~~in s. 212.08(5)(g).~~

1773 ~~(5)~~ The sales tax exemption for business equipment used in
 1774 an enterprise zone provided in s. 212.08(5)(g) ~~s. 212.08(5)(h)~~.

1775 Section 28. Paragraph (a) of subsection (4) of section
 1776 377.809, Florida Statutes, is amended to read:

1777 377.809 Energy Economic Zone Pilot Program.—

1778 (4) (a) Beginning July 1, 2012, all the incentives and
 1779 benefits provided for enterprise zones pursuant to state law
 1780 shall be available to the energy economic zones designated
 1781 pursuant to this section on or before July 1, 2010. In order to
 1782 provide incentives, by March 1, 2012, each local governing body
 1783 that has jurisdiction over an energy economic zone must, by
 1784 local ordinance, establish the boundary of the energy economic
 1785 zone, specify applicable energy-efficiency standards, and
 1786 determine eligibility criteria for the application of state and
 1787 local incentives and benefits in the energy economic zone.
 1788 However, in order to receive benefits provided under s. 288.106,
 1789 a business must be a qualified target industry business under s.
 1790 288.106 for state purposes. An energy economic zone's boundary
 1791 may be revised by local ordinance. Such incentives and benefits
 1792 include those in ss. 212.08, 212.096, 220.181, 220.182, 220.183,
 1793 288.106, and 624.5105 and the public utility discounts provided
 1794 in s. 290.007(7) ~~s. 290.007(8)~~. The exemption provided in s.
 1795 212.08(5)(c) shall be for renewable energy as defined in s.
 1796 377.803. For purposes of this section, any applicable
 1797 requirements for employee residency for higher refund or credit
 1798 thresholds must be based on employee residency in the energy

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1799 economic zone or an enterprise zone. A business in an energy
 1800 economic zone may also be eligible for funding under ss. 288.047
 1801 and 445.003, and a transportation project in an energy economic
 1802 zone shall be provided priority in funding under s. 339.2821.
 1803 Other projects shall be given priority ranking to the extent
 1804 practicable for grants administered under state energy programs.

1805 Section 29. Paragraph (c) of subsection (1) of section
 1806 624.5105, Florida Statutes, is amended to read:
 1807 624.5105 Community contribution tax credit; authorization;
 1808 limitations; eligibility and application requirements;
 1809 administration; definitions; expiration.—

1810 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.—
 1811 (c) The total amount of tax credit which may be granted for
 1812 all programs approved under this section and ss. 212.08(5)(o)
 1813 and 220.183 ~~ss. 212.08(5)(p) and 220.183~~ is \$12.5 million in the
 1814 2018-2019 fiscal year, \$13.5 million in the 2019-2020 fiscal
 1815 year, and \$10.5 million in each fiscal year thereafter for
 1816 projects that provide housing opportunities for persons with
 1817 special needs as defined in s. 420.0004 or homeownership
 1818 opportunities for low-income or very-low-income households as
 1819 defined in s. 420.9071 and \$3.5 million each fiscal year for all
 1820 other projects.

1821 Section 30. Subsection (1) of section 1011.94, Florida
 1822 Statutes, is amended to read:
 1823 1011.94 University Major Gifts Program.—
 1824 (1) There is established a University Major Gifts Program.
 1825 The purpose of the program is to enable each university to
 1826 provide donors with an incentive in the form of matching grants
 1827 for donations for the establishment of permanent endowments and

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1828 sales tax exemption matching funds received pursuant to s.
 1829 212.08(5)(i) ~~s. 212.08(5)(j)~~, which must be invested, with the
 1830 proceeds of the investment used to support libraries and
 1831 instruction and research programs, as defined by the Board of
 1832 Governors.

1833 Section 31. Except as otherwise provided in this act, this
 1834 act shall take effect July 1, 2022.



The Florida Senate

Committee Agenda Request

To: Senator Ana Maria Rodriguez, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: February 3, 2022

I respectfully request that **Senate Bill #1382**, relating to Tax Administration, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Joe Gruters".

Joe Gruters

Cc: Robert Babin, Staff Director
Stephanie Bell-Parke, Committee Administrative Assistant

The Florida Senate
APPEARANCE RECORD

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2/10/22
Meeting Date
Finance + Tax
Committee

SB 1382
Bill Number or Topic
385668
Amendment Barcode (if applicable)

Name Jared Ross Phone (850) 322-6956

Address 215 S. Monroe St, #340 Email jared@fbwa.com
Street
Tallahassee FL 32301
City State Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:
Florida Beer Wholesalers Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf flsenate.gov](#)

This form is part of the public record for this meeting.

The Florida Senate

APPEARANCE RECORD

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2-10-22

Meeting Date

F&I

1382

Bill Number or Topic

385668

Amendment Barcode (if applicable)

Committee

Name

Bill Herrle

Phone

850 681 0416

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110 E Jefferson St.

Email

bill.herrle@ntib.org

Street

Tallahassee FL. 32301

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

National Federation of Independent Business

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

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S-001 (08/10/2021)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/10/22

Meeting Date

1382

Bill Number (if applicable)

385668

Amendment Barcode (if applicable)

Topic TAX ADMINISTRATION

Name DAVID ROBERTS

Job Title _____

Address 210 S. MONROE ST.

Street

Phone 850-443-4820

TALLAHASSEE FL 32301

City

State

Zip

Email david@norrob.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLORIDA INDEPENDENT SPIRITS ASSOCIATION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate

APPEARANCE RECORD

2-10-2022

Meeting Date

Senate F&T Committee

Committee

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1382

Bill Number or Topic

385668

Amendment Barcode (if applicable)

Name Dominic Calabro

Phone (850) 222-5052

Address Florida Tax Watch President + CEO

Email dcalabro@floridatxwatch.org

Street

106 North ~~Brookwood~~ Brookwood Street

City

Tallahassee, FL 32301

State

Zip

Speaking: For Against Information OR Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. 2020-2022JointRules.pdf (flisenate.gov)

This form is part of the public record for this meeting.

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

02/10/22

Meeting Date

Finance and Tax

Committee

1382

Bill Number or Topic

385668

Amendment Barcode (if applicable)

Name **Jim Zingale**

Phone **850-717-6153**

Address **2450 Shumard Oak Blvd**

Street

Email **jim.zingale@floridarevenue.com**

Tallahassee

City

FL

State

32311

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

FL Dept. of Revenue

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

02/10/22

Meeting Date

Finance and Tax

Committee

1382

Bill Number or Topic

385668

Amendment Barcode (if applicable)

Name Lisa Vickers

Phone 850-717-6153

Address 2450 Shumard Oak Blvd

Email lisa.vickers@floridarevenue.com

Street

Tallahassee

City

FL

State

32311

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

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I am a registered lobbyist, representing:

FL Dept. of Revenue

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This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 1126

INTRODUCER: Senator Harrell

SUBJECT: Exemption from Taxation for Educational Properties

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Palazes</u>	<u>Bouck</u>	<u>ED</u>	Favorable
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	Favorable
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 1126 deems an educational institution leasing property that it uses for an educational purpose to be the owner of such property if the lease payment is for a nominal amount per year and the lease has an original term of 98 years or more. Deeming the property owned by the lessee will exempt it from property taxation.

The Revenue Estimating Conference determined that the bill will reduce property tax revenue by \$0.1 million beginning in Fiscal Year 2023-2024.

The bill takes effect on July 1, 2022.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.¹ The property appraiser annually determines the “just value”² of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and

¹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

exemptions to determine the property's "taxable value."³ Tax bills are mailed in November of each year based on the previous January 1 valuation, and payment is due by March 31 of the following year.

The Florida Constitution prohibits the state from levying ad valorem taxes,⁴ and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often results in lower assessments. Properties that receive classified use treatment in Florida include agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes; land used for conservation purposes; historic properties when authorized by the county or municipality; and certain working waterfront property.⁷

Educational Institution Property Tax Exemption

Florida exempts from ad valorem tax property owned by an educational institution and used exclusively for educational purposes.⁸ The exemption applies to any educational institution that uses the property for educational purposes; the institution can be for-profit or private. Property used exclusively for educational purposes is deemed owned by an educational institution if:⁹

- The entity that owns the educational institution is owned by the individuals that own the property.
- The entity that owns the educational institution and the entity that owns the property are owned by the same individuals.

The exemption has been expanded to include unique ownership situations. For instance, land, buildings, and other improvements used exclusively for educational purposes is deemed to be owned by an educational institution (and therefore exempt) if the entity that owns the land is a nonprofit entity and the land is leased by an educational institution that is a 501(c)(3) entity that provides education limited to kindergarten through grade 8.¹⁰ The exemption also extends to educational institutions that lease property used to teach students to perform services in connection with motion picture production.¹¹

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4.

⁸ Section 196.198, F.S. The exemption includes sheltered workshops providing rehabilitation and retraining for specified individuals with disabilities, property of fraternities and sororities as designated by the college or university president, and specified public fairs and expositions.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.* See also s. 212.0602, F.S.

III. Effect of Proposed Changes:

SB 1126 deems an educational institution leasing property that it uses for an educational purpose to be the owner of such property if the lease payment is for a nominal amount per year and the lease has an original term of 98 years or more. Deeming the property owned by the lessee will exempt it from property taxation.

The bill takes effect on July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, section 18 (b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,^{12, 13} which for Fiscal Year 2022-2023, is forecast at \$2.3 million.¹⁴

The Revenue Estimating Conference determined that the bill will reduce property tax by an amount less than \$2.3 million. Therefore, the bill is not a mandate subject to the requirements of Article VII, section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

The bill does not create or raise a state tax or fee. Therefore, the requirements of Article VII, s. 19 of the Florida Constitution do not apply.

E. Other Constitutional Issues:

None identified.

¹² FLA. CONST. art. VII, s. 18(d).

¹³ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 26, 2022).

¹⁴ Based on the Demographic Estimating Conference's population estimates adopted on March 3, 2021. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Jan. 26, 2022).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference determined that the bill will reduce property tax revenue by \$0.1 million beginning in Fiscal Year 2023-2024. The tax levied for school districts is estimated to be reduced by an insignificant amount.

B. Private Sector Impact:

The bill will reduce property taxes for some educational institutions.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 196.198 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Harrell

25-01074A-22

20221126__

1 A bill to be entitled
 2 An act relating to exemption from taxation for
 3 educational properties; amending s. 196.198, F.S.;
 4 exempting from taxation property used by an
 5 educational institution that holds a leasehold
 6 interest in certain leases exceeding a specified
 7 number of years; providing an effective date.
 8
 9 Be It Enacted by the Legislature of the State of Florida:
 10
 11 Section 1. Section 196.198, Florida Statutes, is amended to
 12 read:
 13 196.198 Educational property exemption.—Educational
 14 institutions within this state and their property used by them
 15 or by any other exempt entity or educational institution
 16 exclusively for educational purposes are exempt from taxation.
 17 Sheltered workshops providing rehabilitation and retraining of
 18 individuals who have disabilities and exempted by a certificate
 19 under s. (d) of the federal Fair Labor Standards Act of 1938, as
 20 amended, are declared wholly educational in purpose and are
 21 exempt from certification, accreditation, and membership
 22 requirements set forth in s. 196.012. Those portions of property
 23 of college fraternities and sororities certified by the
 24 president of the college or university to the appropriate
 25 property appraiser as being essential to the educational process
 26 are exempt from ad valorem taxation. The use of property by
 27 public fairs and expositions chartered by chapter 616 is
 28 presumed to be an educational use of such property and is exempt
 29 from ad valorem taxation to the extent of such use. Property

Page 1 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

25-01074A-22

20221126__

30 used exclusively for educational purposes shall be deemed owned
 31 by an educational institution if the entity owning 100 percent
 32 of the educational institution is owned by the identical persons
 33 who own the property, ~~or~~ if the entity owning 100 percent of the
 34 educational institution and the entity owning the property are
 35 owned by the identical natural persons, or if the educational
 36 institution is a lessee that owns the leasehold interest in a
 37 bona fide lease for a nominal amount per year having an original
 38 term of 98 years or more. Land, buildings, and other
 39 improvements to real property used exclusively for educational
 40 purposes shall be deemed owned by an educational institution if
 41 the entity owning 100 percent of the land is a nonprofit entity
 42 and the land is used, under a ground lease or other contractual
 43 arrangement, by an educational institution that owns the
 44 buildings and other improvements to the real property, is a
 45 nonprofit entity under s. 501(c)(3) of the Internal Revenue
 46 Code, and provides education limited to students in
 47 prekindergarten through grade 8. Land, buildings, and other
 48 improvements to real property used exclusively for educational
 49 purposes are deemed owned by an educational institution if the
 50 educational institution that currently uses the land, buildings,
 51 and other improvements for educational purposes is an
 52 educational institution described in s. 212.0602, and, under a
 53 lease, the educational institution is responsible for any taxes
 54 owed and for ongoing maintenance and operational expenses for
 55 the land, buildings, and other improvements. For such leasehold
 56 properties, the educational institution shall receive the full
 57 benefit of the exemption. The owner of the property shall
 58 disclose to the educational institution the full amount of the

Page 2 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

25-01074A-22

20221126

59 benefit derived from the exemption and the method for ensuring
60 that the educational institution receives the benefit.
61 Notwithstanding ss. 196.195 and 196.196, property owned by a
62 house of public worship and used by an educational institution
63 for educational purposes limited to students in preschool
64 through grade 8 shall be exempt from ad valorem taxes. If legal
65 title to property is held by a governmental agency that leases
66 the property to a lessee, the property shall be deemed to be
67 owned by the governmental agency and used exclusively for
68 educational purposes if the governmental agency continues to use
69 such property exclusively for educational purposes pursuant to a
70 sublease or other contractual agreement with that lessee. If the
71 title to land is held by the trustee of an irrevocable inter
72 vivos trust and if the trust grantor owns 100 percent of the
73 entity that owns an educational institution that is using the
74 land exclusively for educational purposes, the land is deemed to
75 be property owned by the educational institution for purposes of
76 this exemption. Property owned by an educational institution
77 shall be deemed to be used for an educational purpose if the
78 institution has taken affirmative steps to prepare the property
79 for educational use. The term "affirmative steps" means
80 environmental or land use permitting activities, creation of
81 architectural plans or schematic drawings, land clearing or site
82 preparation, construction or renovation activities, or other
83 similar activities that demonstrate commitment of the property
84 to an educational use.

85 Section 2. This act shall take effect July 1, 2022.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Transportation, *Chair*
Military and Veterans Affairs, Space,
and Domestic Security, *Vice Chair*
Appropriations Subcommittee on Health and
Human Services
Children, Families, and Elder Affairs
Finance and Tax

SELECT COMMITTEE:
Select Committee on Pandemic
Preparedness and Response

SENATOR GAYLE HARRELL

25th District

February 1, 2022

Senator Ana Maria Rodriguez
318 Senate Building
404 South Monroe Street
Tallahassee, FL 32399

Chair Rodriguez,

I respectfully request that **SB 1126 – Exemption from Taxation for Educational Properties** be placed on the next available agenda for the Finance and Tax Committee Meeting.

Should you have any questions or concerns, please feel free to contact my office. Thank you in advance for your consideration.

Thank you,

A handwritten signature in blue ink that reads "Gayle".

Senator Gayle Harrell
Senate District 25

Cc: Robert Babin, Staff Director
Stephanie Bell-Park, Committee Administrative Assistant

REPLY TO:

- 215 SW Federal Highway, Suite 203, Stuart, Florida 34994 (772) 221-4019 FAX: (888) 263-7895
- 310 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5025

Senate's Website: www.flsenate.gov

WILTON SIMPSON
President of the Senate

AARON BEAN
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/CS/SB 1146

INTRODUCER: Finance and Tax Committee; Commerce and Tourism Committee; and Senator Rodriguez

SUBJECT: Taxation of Investigative Services

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Renner</u>	<u>McKay</u>	<u>CM</u>	<u>Fav/CS</u>
2.	<u>Sachmorov</u>	<u>Babin</u>	<u>FT</u>	<u>Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1146 provides an exemption from the sales and use tax for investigative services provided by a small private investigative agency.

The Revenue Estimating Conference analyzed an earlier version of the bill and determined it will reduce General Revenue Fund receipts by \$300,000 in Fiscal Year 2022-2023 with a recurring impact of \$300,000. The bill will reduce local revenues by \$100,000 in Fiscal Year 2022-2023 with a recurring local impact of \$100,000. Staff estimates that the current version of the bill has a similar fiscal impact.

The bill takes effect July 1, 2022.

II. Present Situation:

Florida Sales and Use Tax

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services. Chapter 212, F.S.,

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

contains provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁴

Currently, charges for detective, burglar protection, and other protection services listed under the North American Industry Classification System (NAICS) National Numbers 561611 (investigative services), 561612 (security guards and patrol services), 561613 (armored car services), and 561621 (security systems services, except locksmiths) are subject to the 6 percent sales and use tax.⁵

Private Investigative Services

The Division of Licensing within the Department of Agriculture and Consumer Services oversees the regulation of licensing of private investigative services.⁶ As of December 31, 2021, the Division has issued 2,627 private investigative agency licenses and 6,992 private investigator licenses.⁷

A "private investigator" is defined as any individual who, for consideration, advertises as providing or performs private investigation.⁸ A "private investigative agency" means any person who, for consideration, advertises as providing or is engaged in the business of furnishing private investigations.⁹ Private investigation is defined as an investigation to obtain information on any of the following matters:

- Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.
- The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.
- The credibility of witnesses or other persons.
- The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.
- The location or recovery of lost or stolen property.
- The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.
- The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation thereof.¹⁰

⁴ Section 212.07(2), F.S.

⁵ Section 212.05(1)(i)1., F.S.

⁶ Chapter 493, F.S.

⁷ Department of Agriculture and Consumer Services, *Division of Licensing Statistical Reports* (as of December 31, 2021), available at <https://www.fdacs.gov/Divisions-Offices/Licensing/Statistical-Reports> (last visited Feb. 02, 2022).

⁸ Section 493.6101(16), F.S.

⁹ Section 493.6101(15), F.S.

¹⁰ Section 493.6101(17), F.S.

III. Effect of Proposed Changes:

The bill exempts investigative services provided by a small private investigative agency from the sales and use tax.

The bill defines a “small private investigative agency” as a private investigator licensed under s. 493.6201, F.S., which:

- Employs three or fewer full-time or part-time employees, including those performing services pursuant to an employment leasing arrangement as defined in s. 468.520(4), F.S.; and
- Reported less than \$150,000 in taxable sales during the previous calendar year for providing private investigation services for all its businesses related through common ownership.

The bill grants emergency rule making authority for the Department of Revenue.

The bill takes effect July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of Art. VII, s. 18 of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{11, 12} which is \$2.3 million or less for Fiscal Year 2022-2023.¹³

The Revenue Estimating Conference determined that language very similar to that contained in the bill will reduce the authority that counties have to raise revenue from the local option sales tax by \$100,000 in Fiscal Year 2022-2023. Therefore, the mandates provision may not apply as the impact is insignificant.

¹¹ FLA. CONST. art. VII, s. 18(d).

¹² An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb 03, 2022).

¹³ Based on the Demographic Estimating Conference’s estimated population adopted on March 3, 2021. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Feb. 02, 2022).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Section 19 of Article VII, Florida Constitution requires increased taxes or fees to be passed in a separate bill and by two-thirds vote of the membership of each house of the Legislature. This bill does not increase any taxes or fees; therefore, the increased tax or fee requirements do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference analyzed an earlier version of the bill and determined it will reduce General Revenue Fund receipts by \$300,000 in Fiscal Year 2022-2023 with a recurring impact of \$300,000. The bill will reduce local revenues by \$100,000 in Fiscal Year 2022-2023 with a recurring local impact of \$100,000. Staff estimates that the current version of the bill has a similar fiscal impact.

B. Private Sector Impact:

Certain small private investigative agencies may incur savings due to the sales and use tax exemption on the sale of investigative services.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 212.08 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism January 31, 2022:

- Modifies the definition of a “small private investigative agency” to provide that the agency must have received less than \$50,000 for each employee in taxable compensation during the previous calendar year for providing private investigative services.

CS by Finance and Tax February 10, 2022:

- Modifies the definition of a “small private investigative agency” to provide that the agency must have reported less than \$150,000 in taxable sales during the previous calendar year for providing private investigative services.
- Grants emergency rule making authority for the Department of Revenue.

- B. **Amendments:**

None.



564150

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Rodriguez) recommended the following:

Senate Amendment (with title amendment)

Delete lines 45 - 52
and insert:

b. Reported less than \$150,000 in taxable sales during the previous calendar year for providing private investigative services as defined in s. 493.6101(17) for all its businesses related through common ownership.

2. The sale of investigative services by a small private investigative agency to a client is exempt from the tax imposed



564150

11 by this chapter.

12 Section 2. (1) The Department of Revenue may, and all
13 conditions are deemed met to, adopt emergency rules pursuant to
14 s. 120.54(4), Florida Statutes, for the purpose of implementing
15 the amendment made by this act to s. 212.08, Florida Statutes.

16 (2) Notwithstanding any other law, emergency rules adopted
17 pursuant to this subsection are effective for 6 months after
18 adoption and may be renewed during the pendency of procedures to
19 adopt permanent rules addressing the subject of the emergency
20 rules.

21 (3) This section shall take effect upon this act becoming a
22 law and expires January 1, 2026.

23 Section 3. Except as otherwise expressly provided in this
24 act and except for this section, which shall take effect upon
25 this act becoming a law, this act shall take effect July 1,
26 2022.

27
28 ===== T I T L E A M E N D M E N T =====

29 And the title is amended as follows:

30 Delete lines 7 - 8

31 and insert:

32 small private investigative agency; authorizing the
33 Department of Revenue to adopt emergency rules to
34 implement the act; providing effective dates.

By the Committee on Commerce and Tourism; and Senator Rodriguez

577-02516-22

20221146c1

A bill to be entitled

An act relating to taxation of investigative services; amending s. 212.08, F.S.; defining the term "small private investigative agency"; providing an exemption from the state tax on sales, use, and other transactions for investigative services provided by a small private investigative agency; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (ppp) is added to subsection (7) of section 212.08, Florida Statutes, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department

Page 1 of 2

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577-02516-22

20221146c1

or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

(ppp) Small private investigative agencies.—

1. As used in this paragraph, the term "small private investigative agency" means a private investigator licensed under s. 493.6201 which:

a. Employs three or fewer full-time or part-time employees, including those performing services pursuant to an employee leasing arrangement as defined in s. 468.520(4), in total; and

b. Received less than \$50,000 for each employee in taxable compensation during the previous calendar year for providing private investigative services as defined in s. 493.6101(17) for all its businesses related through common ownership.

2. The sale of investigative services by a small private investigative agency to a client is exempt from the tax imposed by this chapter.

Section 2. This act shall take effect July 1, 2022.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

2/15/22

Meeting Date

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

1146

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name Cynthia Henderson

Phone 850 559 0855

Address 108 E. Jefferson St

Email Cyhenderson@ame.com

Tall FL 32301
City State Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:
Florida Assoc of Licensed Investigators

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf](#) [flsenate.gov](#)

This form is part of the public record for this meeting.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 362

INTRODUCER: Senator Rodriguez

SUBJECT: Ad Valorem Tax Exemption for Nonprofit Homes for the Aged

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	Favorable
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	Favorable
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 362 expands the ownership structures that will allow a nonprofit home for the aged to qualify for an exemption from ad valorem taxation. Currently, the taxpayer may be a Florida limited partnership the sole general partner of which is a not-for-profit corporation. The bill allows the sole general partner to be another entity wholly owned by a not-for-profit corporation.

The Revenue Estimating Conference estimated that the bill will reduce local government revenue by \$100,000 beginning in Fiscal Year 2023-2024.

The bill takes effect January 1, 2023.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.¹ The property appraiser annually determines the assessed or “just value”² of property within the taxing jurisdiction and then applies relevant exclusions, assessment

¹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

limitations, and exemptions to determine the property's "taxable value."³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes⁴ and limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes; land used for conservation purposes; historic properties when authorized by the county or municipality; and certain working waterfront property.⁷

Ad Valorem Tax Exemption for Homes for the Aged

Florida exempts nonprofit homes for the aged from property tax; however, the home must be owned in one of two ways: (1) owned directly by a not-for-profit corporation, or (2) owned by a Florida limited partnership whose sole general partner is a not-for-profit corporation.⁸

If the home qualifies, the exemption applies to units or apartments reserved for or occupied by a permanent resident of this state who is:

- An individual with a gross income of no more than \$35,988 per year who is at least 62 years of age or is totally and permanently disabled;⁹
- A couple with a combined gross income of no more than \$40,403 per year, or the surviving spouse of such a couple, if the surviving spouse lived with the deceased at the time of the deceased's death in a home for the aged, at least one of whom must be at least 62 years of age or is totally and permanently disabled;¹⁰ or
- A totally and permanently disabled veteran who meets the requirements of s. 196.081, F.S., regardless of income.

Common areas of the home for the aged are exempt if 25 percent or more of the units or apartments are restricted to or occupied by persons who meet the income requirements.¹¹

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4.

⁸ Section 196.1975, F.S.

⁹ The original statutory income threshold of \$20,000 is adjusted annually by the percentage change in the average cost-of-living index. See s. 196.1975(4), F.S. See Florida Department of Revenue, *Cost of Living Adjustments*, available at: <https://floridarevenue.com/property/Documents/CostofLivingAdjust.pdf> (last visited Feb. 3, 2022).

¹⁰ *Id.*

¹¹ Section 196.1975(8), F.S.

The facility must annually file an application for exemption with the property appraiser and submit an affidavit from each person residing in a unit or apartment claiming an exemption.¹² The person signing the affidavit must attest that he or she resides in the unit or apartment claiming the exemption and, in good faith, makes that unit or apartment his or her permanent residence.¹³

III. Effect of Proposed Changes:

The bill amends s. 196.1975, F.S., to authorize a third ownership option that would allow a nonprofit home for the aged to qualify for a property tax exemption: a home owned by a Florida limited partnership the sole general partner of which is an entity wholly owned by a not-for-profit corporation.

The bill takes effect January 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that cities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2021-2022, is forecast at \$2.3 million.^{14, 15}

The Revenue Estimating Conference determined that the bill would reduce local government revenues by \$100,000 beginning in Fiscal Year 2023-2024. Therefore, this bill is not be a mandate subject to Article VII, s. 18(b) of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹² Section 196.1975(9)(b), F.S.

¹³ *Id.*

¹⁴ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, Interim Report 2012-115: Insignificant Impact, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb. 3, 2022).

¹⁵ Based on the Demographic Estimating Conference's estimated population adopted on March 3, 2021. The conference packet is available at: <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Feb. 6, 2022).

D. State Tax or Fee Increases:

The bill does not create or raise a state tax or fee. Therefore, the requirements of Art. VII, s. 19 of the Florida Constitution do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference determined that the bill will reduce local government revenue by \$100,000 beginning in Fiscal Year 2023-2024.¹⁶

B. Private Sector Impact:

The bill will enable additional homes for the aged operated by not-for-profit corporations to qualify for the ad valorem tax exemption.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 196.1975 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

¹⁶ Revenue Estimating Impact Conference, *Ad Valorem Tax Exemption for Nonprofit Homes for the Aged, SB362 & HB401*, (November 19, 2021), available at http://edr.state.fl.us/content/conferences/revenueimpact/archives/2022/_pdf/Impact1119.pdf (last visited Feb. 3, 2022).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Rodriguez

39-00600-22

2022362__

A bill to be entitled

An act relating to ad valorem tax exemption for nonprofit homes for the aged; amending s. 196.1975, F.S.; revising ownership entities for nonprofit homes qualifying for an exemption from ad valorem taxation to include certain limited partnerships; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (1) of section 196.1975, Florida Statutes, is amended to read:

196.1975 Exemption for property used by nonprofit homes for the aged.—Nonprofit homes for the aged are exempt to the extent that they meet the following criteria:

(1) The applicant must be a corporation not for profit under pursuant to chapter 617 or a Florida limited partnership, the sole general partner of which is a corporation not for profit under pursuant to chapter 617 or an entity wholly owned by a corporation not for profit under chapter 617, and the corporation not for profit must have been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt charitable organization under ~~the provisions of~~ s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.

Section 2. This act shall take effect January 1, 2023.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 1610

INTRODUCER: Finance and Tax Committee and Senator Rodriguez

SUBJECT: Ad Valorem Tax Abatement

DATE: February 10, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	Favorable
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1610 provides property tax relief to parcel owners affected by a sudden and unforeseen collapse of a residential building. The bill requires the tax collector to abate all property taxes and non-ad valorem assessments for each affected parcel and the property appraiser must notify all parcel owners of the abatement. Parcel owners are not required to remit payment and tax collectors and property appraisers may not issue tax notices.

The section of the Florida Statutes being created by the bill is repealed December 31, 2023, unless reenacted by the Legislature.

The Revenue Estimating Conference has not analyzed the bill.

The bill takes effect upon becoming a law and applies retroactively to January 1, 2021.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of

January 1 of each year.¹ The property appraiser annually determines the assessed or “just value”² of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes⁴ and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes; land used for conservation purposes; historic properties when authorized by the county or municipality; and certain working waterfront property.⁷

Tax Abatement for Natural Disasters

The Legislature has provided tax relief for property damaged by natural disasters on at least five occasions.⁸ In 1988, the Legislature provided an abatement of taxes for properties damaged by windstorms or tornadoes.⁹ To receive the abatement, the property owner was required to file an application with the property appraiser by March 1 of the year following the year in which the windstorm or tornado occurred.¹⁰ After making a determination on the validity of the application, the property appraiser was directed to issue an official statement to the tax collector containing the number of months the property was uninhabitable due to the damage or destruction, the value of the property prior to the damage or destruction, the total taxes due on the property as reduced by the number of months the property was uninhabitable, and the amount of the reduction in taxes.¹¹

¹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art. VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4.

⁸ Chapters 88-101, 98-185, 2004-474, 2007-106, and 2018-118, Laws of Fla.

⁹ Section 196.295(3), F.S., repealed by ch. 92-173, s. 8, Laws of Fla.

¹⁰ Section 196.295(3)(a), F.S., repealed by ch. 92-173, s. 8, Laws of Fla.

¹¹ Section 196.295(3)(d), F.S., repealed by ch. 92-173, s. 8, Laws of Fla.

Upon receipt of the official statement, the tax collector reduced the amount of taxes due on the property on the tax collection roll and informed the board of county commissioners and the Department of Revenue (DOR) of the total reduction in taxes for all property in the county receiving the abatement.¹² The law was applied retroactively to January 1, 1988, and included a repeal effective July 1, 1989.¹³ The language was removed from statute in 1992.¹⁴

Most recently, the Legislature applied a similar process to abate taxes for homestead parcels damaged or destroyed by Hurricanes Hermine and Matthew in 2016 or Hurricane Irma in 2017. If the residential improvement was rendered uninhabitable for at least 30 days due to such a hurricane, taxes initially levied in 2019 could be abated.¹⁵ The Legislature was required to appropriate funds to fiscally constrained counties to offset the reduction in ad valorem tax revenue resulting from the abatement.¹⁶

The Value Adjustment Board Process

Each county has a Value Adjustment Board (VAB), comprised of two members of the governing body of the county, one member of the school board, and two citizen members appointed by the governing body of the county.¹⁷ The county clerk acts as the clerk of the VAB.¹⁸ A property owner may initiate an assessment valuation challenge by filing a petition with the clerk of the VAB within 25 days after the mailing of the TRIM notice.¹⁹

The clerk of the VAB will schedule the petition for a hearing, during which a special magistrate will hear testimony and make a recommendation to the VAB on how the petition should be resolved.²⁰ The VAB renders a written decision within 20 calendar days after the last day the VAB is in session.²¹ The decision of the VAB must contain findings of fact and conclusions of law and must include reasons for upholding or overturning the determination of the property appraiser.²² The clerk of the VAB, upon issuance of a decision, must notify each taxpayer and the property appraiser of the decision of the VAB.²³

Champlain Towers South

On the morning of June 24, 2021, a 12-story condominium in Surfside, Florida unexpectedly experienced structural failure and partially collapsed, resulting in the death of ninety-eight

¹² Section 196.295(3)(e)-(f), F.S., repealed by ch. 92-173, s. 8, Laws of Fla.

¹³ Section 196.295(3)(h), F.S., repealed by ch. 92-173, s. 8, Laws of Fla.

¹⁴ Chapter 92-173, s. 8, Laws of Fla.

¹⁵ Chapter 2018-118, s. 17, Laws of Fla. enacting s. 197.318, F.S.

¹⁶ Section 218.135, F.S., (2018) (Repealed 2019).

¹⁷ Section 194.015, F.S.

¹⁸ *Id.*

¹⁹ Section 194.011(3)(d), F.S. With respect to an issue involving the denial of an exemption, an agricultural or high-water recharge classification application, an application for classification as historic property used for commercial or certain nonprofit purposes, or a deferral, the petition must be filed at any time during the taxable year on or before the 30th day following the mailing of the notice by the property appraiser.

²⁰ Section 194.035, F.S.

²¹ Section 194.034(2), F.S.

²² *Id.*

²³ *Id.*

people. The standing portion of the building, rendered uninhabitable, was demolished 10 days later.

Alongside an extensive emergency management effort, the Governor issued Executive Order 21-160 to suspend deadlines related to property tax administration for taxpayers whose property was destroyed or rendered uninhabitable by the collapse.²⁴ The suspensions include deadlines regarding the notification and collection of ad valorem taxes. The executive order also requested “the Florida Legislature to explore additional legislative acts as may be necessary to alleviate the taxpayers’ property tax obligations.”²⁵

III. Effect of Proposed Changes:

The bill creates s. 197.319, F.S., to provide tax relief to parcel owners affected by a sudden and unforeseen collapse of a residential building. The bill requires the tax collector to abate all taxes and non-ad valorem assessments for destroyed parcels and the property appraiser must notify the owners of the abatement.

The bill defines “residential improvement” to mean a multistory residential building comprised of at least 50 dwelling units. The condition of the residential improvement on the January 1 of the year the property was destroyed must have been in such a state that the residential improvement had no value due to a latent defect of the property not readily discernable by inspection.

Parcel owners whose property tax is abated are not required to make a payment and property appraisers and tax collectors are prohibited from issuing tax notices.

The bill requires value adjustment boards to dismiss petitions from parcel owners challenging the value of the parcel for the year of the collapse.

For purposes of determining the “Save Our Homes” assessment limitation for property newly homesteaded by an affected parcel owner, the property appraiser shall look to the just value and assessed value of the destroyed parcel on the January 1 of the year preceding the year of the destruction.

The bill requires tax collectors to refund tax payments made for taxes levied in the year of collapse.

The section of the Florida Statutes being created by the bill is repealed December 31, 2023, unless reenacted by the Legislature.

The bill takes effect upon becoming a law and applies retroactively to January 1, 2021.

²⁴ Executive Order 21-160, Office of the Governor, Jul. 9, 2021, *available at*: <https://www.flgov.com/wp-content/uploads/2021/07/EO-21-160.pdf> (last visited January 20, 2022).

²⁵ *Id.*, s.2.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Article VII, section 18 (b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,^{26, 27} which for Fiscal Year 2022-2023, is forecast at \$2.3 million.²⁸

The Revenue Estimating Conference has not analyzed this bill; however, the reduction in property tax receipts is not expected to surpass \$2.3 million. Therefore, this bill is not a mandate subject to the provisions of Article VII, section of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

This bill does not create or raise a state tax or fee. Therefore, the requirements of Article VII, s. 19 of the Florida Constitution do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not yet reviewed this bill.

²⁶ FLA. CONST. art. VII, s. 18(d).

²⁷ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 26, 2022).

²⁸ Based on the Demographic Estimating Conference's population estimates adopted on March 3, 2021. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/archives/210303demographic.pdf> (last visited Jan. 26, 2022).

B. Private Sector Impact:

Property owners who apply for and receive the tax abatement authorized by the bill will benefit by a reduced tax burden.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 197.319 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax on February 10, 2022:

The CS:

- Abates all taxes and non-ad valorem assessments for property destroyed by a sudden and unforeseen collapse.
- Defines a residential improvement as a multistory residential building consisting of at least 50 dwelling units.
- Requires the condition of the building on the January 1 immediately preceding the collapse to have had no value due to a latent defect not readily discernable by inspection.
- Does not require parcel owners to remit a payment.
- Prohibits property appraisers and tax collectors to issue tax notices.
- Requires the property appraiser to notify the taxpayer that all taxes and non-ad valorem assessments have been abated for the year in which the property was destroyed.
- Requires the value adjustment board to dismiss petitions pertaining to a challenge by a parcel owner.
- Instructs property appraisers to use the values from the year before the collapse to determine the assessed value for those who establish a new homestead and wish to transfer their “Save Our Homes” benefit to the new property.
- Requires tax collectors to refund any payments made for the taxes levied in the year in which the property collapsed.
- Repeals this section December 31, 2023, unless reviewed and saved from repeal.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



906400

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Rodriguez) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 197.319, Florida Statutes, is created to
read:

197.319 Abatement of ad valorem taxes and non-ad valorem
assessments following destruction caused by a sudden and
unforeseen collapse.—

(1) As used in this section, the term "residential



906400

11 improvement” means a multistory residential building that
12 consists of at least 50 dwelling units.

13 (2) Each parcel owned and assessed as homestead property
14 under s. 193.155 or as nonhomestead residential property under
15 s. 193.1554 which is within a residential improvement that is
16 destroyed due to a sudden and unforeseen collapse of the
17 residential improvement or due to the subsequent demolition of
18 the residential improvement after such collapse is eligible for
19 an abatement of all taxes and non-ad valorem assessments for the
20 year in which the destruction occurred if the property appraiser
21 determines that the condition of the residential improvement on
22 the January 1 immediately preceding the collapse was such that
23 the residential improvement had no value due to a latent defect
24 of the property not readily discernable by inspection.

25 (a) The property appraiser shall provide to the tax
26 collector an official written statement that provides the
27 information necessary for the tax collector to abate the taxes
28 and non-ad valorem assessments for each parcel owner.

29 (b) For parcels meeting the requirements of this
30 subsection, a parcel owner is not required to remit a payment,
31 the property appraiser may not issue a notice of proposed
32 property taxes pursuant to s. 200.069, and the tax collector may
33 not issue a tax notice pursuant to s. 197.322. In lieu of the
34 notice of proposed property taxes, the property appraiser must
35 notify the taxpayer that all taxes and non-ad valorem
36 assessments have been abated for the year in which the property
37 was destroyed. If a parcel owner files a petition to the value
38 adjustment board concerning the value of the parcel for the year
39 of the collapse, the value adjustment board must dismiss the



40 petition.

41 (3) For purposes of determining the assessed value under s.
42 193.155(8) of a new homestead established by an owner of a
43 parcel within the destroyed residential improvement, the just
44 value and assessed value of the parcel on the January 1 of the
45 year preceding the year of the destruction must be used.

46 (4) Tax payments received by the tax collector for taxes
47 levied in the year of collapse on parcels meeting the
48 requirements of subsection (2) are eligible for a refund upon
49 application made to the tax collector. For purposes of this
50 subsection, the parcel owner or the parcel owner's legal
51 representative may apply for a refund.

52 (5) This section is repealed December 31, 2023, unless
53 reviewed and saved from repeal through reenactment by the
54 Legislature.

55 Section 2. This act applies retroactively to January 1,
56 2021.

57 Section 3. This act shall take effect upon becoming a law.

58

59 ===== T I T L E A M E N D M E N T =====

60 And the title is amended as follows:

61 Delete everything before the enacting clause
62 and insert:

63 A bill to be entitled
64 An act relating to abatement of ad valorem taxes and
65 non-ad valorem assessments for residential
66 improvements destroyed due to a sudden and unforeseen
67 collapse; creating s. 197.319, F.S.; defining the term
68 "residential improvement"; providing for the



906400

69 eligibility for abatement of ad valorem taxes and non-
70 ad valorem assessments for residential improvements
71 destroyed following certain events; requiring property
72 appraisers to provide specified statements to tax
73 collectors; providing that owners of parcels meeting
74 certain requirements are not required to remit
75 payments; prohibiting property appraisers and tax
76 collectors from issuing specified notices for parcels
77 meeting certain requirements; requiring property
78 appraisers to notify taxpayers of the abatement of
79 taxes and non-ad valorem assessments under certain
80 circumstances; requiring value adjustment boards to
81 dismiss petitions under certain circumstances;
82 specifying requirements for determining the assessed
83 value of certain new homesteads; providing for a
84 refund of taxes for parcels meeting certain
85 requirements under certain circumstances; providing
86 for future repeal; providing for retroactive
87 application; providing an effective date.

By Senator Rodriguez

39-01385A-22

20221610__

A bill to be entitled

An act relating to ad valorem tax abatement; amending s. 194.032, F.S.; conforming a provision to changes made by the act; creating s. 197.319, F.S.; defining terms; providing for the abatement of ad valorem taxes for residential improvements destroyed following certain events; providing procedures and requirements for filing applications for the abatement; specifying requirements for property appraisers, tax collectors, and the Department of Revenue; providing for retroactive application; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (b) of subsection (1) of section 194.032, Florida Statutes, is amended to read:

194.032 Hearing purposes; timetable.—

(1)

(b) Notwithstanding the provisions of paragraph (a), the value adjustment board may meet prior to the approval of the assessment rolls by the Department of Revenue, but not earlier than July 1, to hear appeals pertaining to the denial by the property appraiser of exemptions, tax abatements under ss. 197.318 and 197.319 ~~s. 197.318~~, agricultural and high-water recharge classifications, classifications as historic property used for commercial or certain nonprofit purposes, and deferrals under subparagraphs (a)2., 3., and 4. In such event, however, the board may not certify any assessments under s. 193.122 until the Department of Revenue has approved the assessments in

Page 1 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

39-01385A-22

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accordance with s. 193.1142 and all hearings have been held with respect to the particular parcel under appeal.

Section 2. Section 197.319, Florida Statutes, is created to read:

197.319 Abatement of taxes for residential improvements following a destruction caused by a sudden collapse.—

(1) As used in this section, the term:

(a) "Destruction" means the immediate demolition of a building caused by a sudden and unforeseen collapse and the subsequent demolition of remaining sections of the building recognized as having experienced a major structural collapse by an executive order issued by the Governor pursuant to s. 252.36.

(b) "Disaster relief credit" means the product arrived at by multiplying the percent change in value by the amount of timely paid taxes levied in the year in which the destruction occurred.

(c) "Percent change in value" means the difference between a residential parcel's just value as of January 1 of the year in which the destruction occurred and its postdisaster just value expressed as a percentage of the parcel's just value as of January 1 of the year in which the destruction occurred.

(d) "Postdisaster just value" means the just value of the residential parcel on January 1 of the year in which the destruction occurred, reduced to reflect the just value of the residential improvement as a result of the destruction. For purposes of this section, residential improvements that are uninhabitable shall have no value placed thereon. Postdisaster just value is determined only for purposes of calculating tax abatements under this section and does not determine a parcel's

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 just value as of January 1 each year.

60 (e) "Property owner" means the person who on the date of
 61 destruction holds legal title to the real property.

62 (f) "Residential improvement" means a multistory
 63 residential building comprised of at least 50 dwelling units.

64 (2) If a residential improvement located in a county as
 65 defined in s. 125.011(1) is destroyed following a sudden and
 66 unforeseen collapse or the subsequent demolition of remaining
 67 sections of the building recognized as having experienced a
 68 major structural collapse by an executive order issued by the
 69 Governor pursuant to s. 252.36 during the 2021 calendar year,
 70 taxes levied in 2021 must be abated in the following manner:

71 (a) The property owner must file an application with the
 72 property appraiser no later than May 1, 2022. A property owner
 73 who fails to file an application by May 1, 2022, waives a claim
 74 for abatement of taxes under this section.

75 (b) The application must identify the residential parcel on
 76 which the residential improvement was destroyed and the date the
 77 destruction occurred.

78 (c) The application must be verified under oath and is
 79 subject to penalty of perjury.

80 (d) Upon receipt of the application, the property appraiser
 81 must investigate the statements contained in the application to
 82 determine if the applicant is entitled to an abatement of taxes.

83 1. If the property appraiser determines that the applicant
 84 is not entitled to an abatement, the applicant may file a
 85 petition with the value adjustment board, pursuant to s.
 86 194.011(3), requesting that the abatement be granted.

87 2. If the property appraiser determines that the applicant

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88 is entitled to an abatement, the property appraiser must issue
 89 an official written statement to the tax collector by June 1,
 90 2022, which provides:

91 a. The just value of the residential parcel as determined
 92 by the property appraiser on January 1 of the year in which the
 93 destruction occurred for which the applicant is claiming an
 94 abatement.

95 b. The post-destruction just value of the residential
 96 parcel as determined by the property appraiser.

97 c. The percent change in value applicable to the
 98 residential parcel.

99 (3) Upon receipt of the written statement from the property
 100 appraiser, the tax collector shall calculate the disaster relief
 101 credit pursuant to this section and process a payment to the
 102 property owner in an amount equal to the disaster relief credit.

103 (4) No later than July 1, 2022, the tax collector shall
 104 notify:

105 (a) The department of the total reduction in taxes for all
 106 properties that qualified for an abatement pursuant to this
 107 section and the remaining amount of taxes levied for each
 108 parcel. The tax collector shall include in its notification the
 109 name and address of each property owner who applies for a
 110 refund.

111 (b) The governing board of each affected local government
 112 of the reduction in such local government's taxes pursuant to
 113 this section.

114 (5) Upon notification by the tax collector, the department
 115 shall process a payment to each property owner for the amount of
 116 taxes levied and not reduced by the tax collector pursuant to

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117 this section, making payment from its Administrative Trust Fund.

118 (6) The department shall forward all undeliverable
119 reimbursements to the notifying tax collector for subsequent
120 delivery attempts.

121 (7) This section applies retroactively to January 1, 2021.

122 Section 3. This act shall take effect upon becoming a law.

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

2-10-22

Meeting Date

F&T

Committee

SB 1610

Bill Number or Topic

Amendment Barcode (if applicable)

Name TRAVIS MOORE

Phone 727.421.6902

Address P.O. Box 2020

Email travis@moore-relations.com

Street

St. Petersburg, FL 33731

City

State

Zip

Speaking: [X] For [] Against [] Information OR Waive Speaking: [] In Support [] Against

PLEASE CHECK ONE OF THE FOLLOWING:

[] I am appearing without compensation or sponsorship.

[X] I am a registered lobbyist, representing:

Community Associations Institute

[] I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. 2020-2022 Joint Rules, pdf: flsenate.gov

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Education, *Vice Chair*
Appropriations Subcommittee on Health and
Human Services
Finance and Tax
Health Policy
Transportation

JOINT COMMITTEE:

Joint Administrative Procedures Committee

SENATOR SHEVRIN D. "SHEV" JONES

35th District

February 10, 2022

The Honorable, Ana Maria Rodriguez

Chair, Committee on Finance and Tax

318 Senate Building

404 South Monroe Street

Tallahassee, FL 32399-1100

Dear Chair Rodriguez,

I respectfully request an excused absence from the Senate Committee on Finance & Tax meeting scheduled for today, Thursday, February 10, 2022, as I had an unexpected family matter arise.

Thank you in advance for your consideration of this request. If I may be of assistance to answer questions, comments, or concerns, please do not hesitate to contact me or my office.

Sincerely,

A handwritten signature in blue ink, appearing to be "Shev Jones".

Shevrin Jones

Senator, District 35

REPLY TO:

- 606 NW 183rd Street, Miami Gardens, Florida 33169 (305) 493-6022
- 1965 South State Road 7, West Park, Florida 33023 (954) 893-5003
- 214 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5035

Senate's Website: www.flsenate.gov

WILTON SIMPSON
President of the Senate

AARON BEAN
President Pro Tempore

CourtSmart Tag Report

Room: SB 110
Caption: Senate Finance and Tax Committee

Case No.:

Type:
Judge:

Started: 2/10/2022 11:02:38 AM
Ends: 2/10/2022 11:49:41 AM **Length:** 00:47:04

11:02:37 AM Meeting called to order by Chair Rodriguez
11:02:40 AM Meeting called to order by CAA Stephanie Bell-Parke
11:02:54 AM Quorum present
11:03:02 AM Comments from Chair Rodriguez
11:03:10 AM Introduction of Tab 2, SJR 1746 by Chair Rodriguez
11:03:24 AM Explanation of SJR 1746, Homestead Property Tax Exemption by Senator Brodeur
11:03:58 AM Comments from Chair Rodriguez
11:04:09 AM Explanation of Amendment Barcode No. 760666 by Senator Brodeur
11:04:27 AM Comments from Chair Rodriguez
11:04:42 AM Closure waived
11:04:44 AM Amendment adopted
11:04:48 AM Comments from Chair Rodriguez
11:04:54 AM Question from Senator Rodrigues
11:05:02 AM Response from Senator Brodeur
11:05:23 AM Follow-up question from Senator Rodrigues
11:05:48 AM Response from Senator Brodeur
11:06:17 AM Follow-up question from Senator Rodrigues
11:06:24 AM Response from Senator Brodeur
11:06:32 AM Comments from Chair Rodriguez
11:06:37 AM Question from Senator Berman
11:06:43 AM Response from Senator Brodeur
11:07:36 AM Lisa Henning, Fraternal Order of Police waives in support
11:07:44 AM Speaker Bob McKee, Florida Association of Counties in opposition
11:09:14 AM Steven B. Slade, FL PBA waives in support
11:10:15 AM Austin Stowers, CFO & State Fire Marshal Jimmy Patronis Office waives in support
11:10:32 AM Comments from Chair Rodriguez
11:10:40 AM Senator Rodrigues in debate
11:10:58 AM Senator Brodeur in closure
11:11:32 AM Roll call by CAA
11:11:42 AM CS/SJR 1746 reported favorably
11:11:55 AM Introduction of Tab 3, SB 1748 by Chair Rodriguez
11:12:11 AM Explanation of SB 1748, Homestead Property Tax Exemptions for Classroom Teachers, Law Enforcement Officers, Firefighters, Child Welfare Professionals, and Servicemembers
11:12:45 AM Introduction of Amendment Barcode No. 247456 by Chair Rodriguez
11:13:26 AM Explanation of Amendment by Senator Brodeur
11:14:03 AM Comments from Chair Rodriguez
11:14:12 AM Question from Senator Berman
11:14:16 AM Response from Senator Brodeur
11:14:37 AM Follow-up question from Senator Berman
11:14:47 AM Response from Senator Brodeur
11:14:55 AM Chris Doolin waives in support
11:15:09 AM Comments from Chair Rodriguez

11:15:14 AM Closure waived
11:15:20 AM Amendment adopted
11:15:22 AM Comments from Chair Rodriguez
11:15:28 AM Question from Senator Harrell
11:16:03 AM Response from Senator Brodeur
11:16:17 AM Follow-up question from Senator Harrell
11:16:26 AM Response from Senator Brodeur
11:16:44 AM Lisa Henning, Fraternal Order of Police waives in support
11:16:49 AM Steven B. Slade, FL PBA waives in support
11:16:55 AM Adam Potts, Florida Sheriffs Association waives in support
11:17:00 AM Austin Stowers, CFO & State Fire Marshal Jimmy Patronis Office waives in support
11:17:12 AM Comments from Chair Rodriguez
11:17:13 AM Senator Brodeur in closure
11:17:19 AM Roll call by CAA
11:17:30 AM CS/SB 1748 reported favorably
11:17:45 AM Introduction of Tab 1, SB 800 by Chair Rodriguez
11:18:00 AM Explanation of SB 800, Economic Development by Senator Albritton
11:18:17 AM Explanation of CS/SB 800 by Senator Albritton
11:19:21 AM Explanation of Amendment-to-Amendment Barcode No. 812008 by Senator Albritton
11:19:30 AM Comments from Chair Rodriguez
11:19:40 AM Closure waived
11:19:42 AM Amendment-to-Amendment adopted
11:19:53 AM Explanation of Amendment-to-Amendment Barcode No. 816154 by Senator Albritton
11:20:10 AM Ethan Perry, Department of Economic Opportunity waives in support
11:20:19 AM Comments from Chair Rodriguez
11:20:24 AM Closure waived
11:20:28 AM Amendment-to-Amendment adopted
11:20:34 AM Comments from Chair Rodriguez
11:20:44 AM Introduction of Amendment Barcode No. 264886 by Chair Rodriguez
11:20:49 AM Explanation of Amendment by Senator Albritton
11:22:35 AM Senator Rodrigues in debate
11:23:59 AM Senator Albritton in closure on Amendment
11:25:26 AM Amendment adopted
11:25:31 AM Comments from Chair Rodriguez
11:25:38 AM Carolyn Johnson, Florida Chamber of Commerce waives in support
11:25:42 AM Mike Grissom, Florida Rural Economic Development Association waives in support
11:25:49 AM Mark Kruse, Columbia County waives in support
11:25:54 AM Jeff Scala, Florida Association of Counties waives in support
11:25:59 AM Darrick McGhee, Sr., Florida's Great Northwest waives in support
11:26:05 AM Chris Doolin waives in support
11:26:13 AM Comments from Chair Rodriguez
11:26:19 AM Closure waived
11:26:22 AM Roll call by CAA
11:26:28 AM CS/SB 800 reported favorably
11:26:36 AM Introduction of Tab 4, SB 1382, Tax Administration by Chair Rodriguez
11:26:58 AM Introduction of Amendment Barcode No. 385668 by Chair Rodriguez
11:27:11 AM Explanation of Amendment by Senator Gruters
11:27:57 AM Comments from Chair Rodriguez
11:28:06 AM Speaker Jared Ross, Florida Beer Wholesalers Association in support
11:29:30 AM Speaker Bill Herrle, National Federation of Independent Business for information
11:31:47 AM Speaker David Roberts, Florida Independent Spirits Association in support
11:32:13 AM Speaker Dominic Calabro, Florida Tax Watch President & CEO for information

11:33:46 AM Speaker Jim Zingale, Florida Department of Revenue for information
11:34:51 AM Lisa Vickers, Florida Department of Revenue for information
11:34:55 AM Comments from Chair Rodriguez
11:35:01 AM Closure by Senator Gruters
11:35:05 AM Amendment adopted
11:35:08 AM Comments from Chair Rodriguez
11:35:23 AM Senator Berman in debate
11:35:55 AM Senator Hooper in debate
11:36:47 AM Senator Gruters in closure
11:36:53 AM Roll call by CAA
11:37:50 AM CS/SB 1382 reported favorably
11:38:00 AM Introduction of Tab 5, SB 1126 by Chair Rodriguez
11:38:16 AM Explanation of SB 1126, Exemption from Taxation for Educational Properties by Senator Harrell
11:38:52 AM Comments from Chair Rodriguez
11:39:12 AM Question from Senator Cruz
11:39:18 AM Response from Senator Harrell
11:39:41 AM Question from Senator Berman
11:39:46 AM Response from Senator Harrell
11:40:01 AM Comments from Chair Rodriguez
11:40:09 AM Senator Harrell in closure
11:40:14 AM Roll call by CAA
11:40:55 AM SB 1126 reported favorably
11:41:06 AM Chair passed to Vice-chair Cruz
11:41:17 AM Introduction of CS/SB 1146 by Chair Cruz
11:41:29 AM Explanation of CS/SB 1146, Taxation of Investigative Services by Senator Rodriguez
11:41:46 AM Introduction of Amendment Barcode No. 564150 by Chair Cruz
11:41:53 AM Explanation of Amendment by Senator Rodriguez
11:42:11 AM Comments from Chair Cruz
11:42:33 AM Closure waived
11:42:35 AM Amendment adopted
11:42:37 AM Comments from Chair Cruz
11:42:48 AM Cynthia Henderson, Florida Association of Licensed Investigators waives in support
11:43:03 AM Comments from Chair Cruz
11:43:15 AM Closure waived
11:43:17 AM Roll call by CAA
11:43:21 AM CS/CS/SB 1146 reported favorably
11:43:36 AM Introduction of Tab 7, SB 362 by Chair Cruz
11:43:54 AM Explanation of SB 362, Ad Valorem Tax Exemption for Nonprofit Homes for the Aged by Senator Rodriguez
11:44:26 AM Comments from Chair Cruz
11:44:40 AM Closure waived
11:44:43 AM Roll call by CAA
11:44:47 AM SB 362 reported favorably
11:45:02 AM Introduction of Tab 8, SB 1610 by Chair Cruz
11:45:20 AM Explanation of SB 1620, Ad Valorem Tax Abatement by Senator Rodriguez
11:45:31 AM Introduction of Amendment Barcode No. 906400 by Chair Cruz
11:45:35 AM Explanation of Amendment by Senator Rodriguez
11:46:04 AM Comments from Chair Cruz
11:46:28 AM Question from Senator Berman
11:46:32 AM Response from Senator Rodriguez
11:46:46 AM Comments from Chair Cruz

11:46:55 AM Closure waived
11:46:58 AM Amendment adopted
11:47:04 AM Comments from Chair Cruz
11:47:10 AM Speaker Travis Moore, Community Associations Institute in support
11:48:10 AM Comments from Chair Cruz
11:48:17 AM Closure waived
11:48:23 AM Roll call by CAA
11:48:27 AM CS/SB 1610 reported favorably
11:48:39 AM Chair returned to Senator Rodriguez
11:48:54 AM Comments from Chair Rodriguez
11:49:00 AM Senator Harrell would like to be shown voting in the affirmative on Amendment 760666,
Tab 2, SJR 1746
11:49:24 AM Comments from Chair Rodriguez
11:49:25 AM Senator Berman moves to adjourn
11:49:30 AM Meeting adjourned