

THE FLORIDA LEGISLATURE



Wilton Simpson
President of the Senate



Chris Sprowls
Speaker of the House of Representatives

March 10, 2022

The Honorable Chris Sprowls
Speaker, House of Representatives

The Honorable Wilton Simpson
President of the Senate

Dear Mr. Speaker and Mr. President:

Your Conference Committee on the disagreeing votes of the two houses on CS/HB 7071, same being:

An act relating to taxation.

having met, and after full and free conference, do recommend to their respective houses as follows:

1. That the Senate and House of Representatives adopt the Conference Committee Amendment attached hereto, and by reference made a part of this report.

Representative Jay Trumbull, Chair

Representative Ramon Alexander, At Large

Representative Bryan Avila, At Large

Representative Kamia L. Brown, At Large

Representative Colleen Burton, At Large

Representative James Bush , At Large

Representative Charles Wesley Clemons, Sr., At Large

Representative Ben Diamond, At Large

Representative Brad Drake, At Large

Representative Fentrice Driskell, At Large

Representative Nicholas X. Duran, At Large

Representative Randy Fine, At Large

Representative Joseph Geller, At Large

Representative Erin Grall, At Large

Representative Michael Grant, At Large

Representative Blaise Ingoglia, At Large

Representative Evan Jenne, At Large

Representative Chris Latvala, At Large

Representative Thomas J. Leek, At Large

Representative Ralph E. Massullo, MD, At Large

Representative Lawrence McClure, At Large

Representative Anika Tene Omphroy, At Large

Representative Bobby Payne, At Large

Representative Daniel Perez, At Large

Representative Scott Plakon, At Large

Representative Rene Plasencia, At Large

Representative Paul Renner, At Large

Representative Rick Roth, At Large

The Honorable Chris Sprowls
The Honorable Wilton Simpson
March 10, 2022
Page 3

Representative Cyndi Stevenson, At Large

Representative Josie Tomkow, At Large

Representative Matt Willhite, At Large

Representative Patricia H. Williams, At Large

Representative Jaye Williamson, At Large

Managers on the part of the House of Representatives

Senator Kelli Stargel, Chair

Senator Ben Albritton

Senator Lorraine Ausley

Senator Dennis Baxley

Senator Aaron Bean, At Large

Senator Lori Berman

Senator Lauren Book, At Large

Senator Jim Boyd

Senator Randolph Bracy

Senator Jennifer Bradley

Senator Jason Brodeur

Senator Doug Broxson

Senator Danny Burgess

Senator Janet Cruz

Senator Manny Diaz

Senator Gary M. Farmer

Senator George B. Gainer

Senator Ileana Garcia

Senator Audrey Gibson, At Large

Senator Joe Gruters

Senator Gayle Harrell

Senator Ed Hooper

Senator Travis Hutson

Senator Shevrin D. Jones

Senator Debbie Mayfield, At Large

Senator Kathleen Passidomo, At Large

Senator Keith Perry, At Large

Senator Jason W. B. Pizzo

Senator Tina Scott Polsky

Senator Bobby Powell, At Large

Senator Ray Wesley Rodrigues

Senator Ana Maria Rodriguez

Senator Darryl Ervin Rouson, At Large

Senator Wilton Simpson

Senator Linda Stewart, At Large

Senator Annette Taddeo

Senator Victor M. Torres

Senator Tom A. Wright

Conferees on the part of the Senate

The Conference Committee Amendment for CS/HB 7071, relating to Taxation, provides for a number of tax reductions and other tax-related modifications designed to directly impact both families and businesses.

Several provisions related to sales tax are included in the amendment:

- A 14-day “back-to-school” tax holiday in July and August 2022 for certain clothing, school supplies, learning aids and puzzles, and personal computers; a 14-day “disaster preparedness” holiday in May and June of 2022 for specified disaster preparedness supplies for families and their pets; a seven-day “Freedom Week” tax holiday in July for specified recreational items and activities; and a seven-day “Tool Time” tax holiday in September for tools and equipment needed in skilled trades.
- A two-year exemption for impact-resistant windows, doors, and garage doors for residential properties; a one-year exemption for babies’ and children’s clothing, shoes, and diapers; a one-year exemption for certain ENERGY STAR certified refrigerators, refrigerator-freezer combinations, water heaters, and clothes washers and dryers; and a three-month exemption for children’s books.
- A reduction in the sales tax on new mobile homes from six percent to three percent.
- An exemption from the sales tax on admissions to Formula One Grand Prix races, World Cup matches, and Daytona 500 events.
- An exemption for machinery and equipment used in the production of green hydrogen.
- An exemption for trailers and fencing used on farms.
- Authorization to use school capital outlay surtax for the purchase, lease, and maintenance of school buses.

For property taxes, the amendment:

- Provides property tax relief for homestead property rendered uninhabitable for 30 days or more due to a catastrophic event in 2023 or thereafter, and provides relief from all assessments to owners affected by the sudden and unforeseen collapse of a residential improvement.
- Clarifies the start date for calculating the 15-year waiting period for an affordable housing exemption.
- Increases the value of property exempt from ad valorem taxation for residents who are widows, widowers, blind, or totally and permanently disabled from \$500 to \$5,000.
- Modifies the assessment methodology for land used in the production of aquaculture products.
- Updates the qualifying operations for the deployed servicemember tax exemption.
- Clarifies the calculation of the homestead exemption for classified use properties that contain a homestead.
- Increases the amount of discretionary school tax that can be used for certain vehicles and property and casualty insurance expenses.

For corporate income tax, the amendment:

- Adopts the Internal Revenue Code in effect on January 1, 2022, to maintain conformity with federal provisions;
- Adds flexibility in the timing of the New Worlds Reading Initiative and Strong Families Tax Credit programs; increases the annual cap of the Strong Families Tax Credit to \$10 million; and, beginning in Fiscal Year 2023-2024, increases the annual cap on the New Worlds Reading Initiative Tax Credit to \$60 million;
- Provides an additional \$5 million annually for the Community Contribution Tax Credit program; and
- Creates a tax credit for investment in short line railroads.

The amendment also:

- Exempts certain loans related to emergencies from documentary stamp taxes.
- Limits restrictions on citizens' access to family housing funds to requirements imposed by lenders.
- Creates a one-month motor fuel tax holiday to reduce motor fuel taxes in October 2022.

The Revenue Estimating Conference met on February 18, 2022, to consider the potential revenue impacts of the amendment; however, official estimates are pending for several provisions. Staff estimates the amendment will have significant negative indeterminate impacts on General Revenue (positive indeterminate recurring), state trust (negative indeterminate recurring), and local government revenues (negative indeterminate recurring) in Fiscal Year 2022-2023.

This amendment may be a county or municipality mandate requiring a two-thirds vote of the membership of the Legislature.