

By Senator Burgess

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1 A bill to be entitled
2 An act relating to residential graywater system tax
3 credits; creating s. 220.199, F.S.; defining terms;
4 providing a tax credit to developers and homebuilders
5 for certain graywater systems purchased during the
6 taxable year; providing a cap on the amount of the tax
7 credit per system; specifying information the
8 developer or homebuilder must provide to the
9 Department of Revenue; authorizing tax credits to be
10 carried forward for up to a specified number of years;
11 authorizing the department to adopt rules; amending s.
12 220.02, F.S.; revising the order in which credits may
13 be taken to include credits created by the act;
14 amending s. 220.13, F.S.; revising the definition of
15 the term "adjusted federal income" to include credits
16 created by the act; providing an effective date.

17
18 Be It Enacted by the Legislature of the State of Florida:

19
20 Section 1. Section 220.199, Florida Statutes, is created to
21 read:

22 220.199 Residential graywater system tax credit.-

23 (1) For purposes of this section, the term:

24 (a) "Department" means the Department of Revenue.

25 (b) "Developer" has the same meaning as in s. 380.031(2).

26 (c) "Graywater" has the same meaning as in s.

27 381.0065(2)(f).

28 (2) For taxable years beginning on or after January 1,
29 2024, a developer or homebuilder is eligible to receive a credit

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30 against the tax imposed by this chapter in an amount up to 50
31 percent of the cost of each NSF/ANSI 350 Class R certified
32 noncommercial, residential graywater system purchased during the
33 taxable year. The tax credit may not exceed \$4,200 for each
34 system purchased.

35 (3) A developer or homebuilder that wishes to claim a tax
36 credit under this section must submit an application to the
37 department which includes a written verification by the
38 Department of Environmental Protection that the developer or
39 homebuilder has submitted reasonable assurances that the system
40 meets the requirements of subsection (2) and the functionality
41 assurances provided in s. 403.892(3)(c). The Department of
42 Environmental Protection shall make a determination on the
43 eligibility of the applicant for the credit sought and certify
44 the determination to the applicant and the department. The
45 taxpayer must attach the certification to the tax return on
46 which the credit is claimed.

47 (4) Any unused tax credit authorized under this section may
48 be carried forward and claimed by the taxpayer for up to 2
49 taxable years.

50 (5) The department may adopt rules to administer this
51 section, including, but not limited to, rules prescribing forms,
52 application procedures and dates, and guidelines for making an
53 affirmative showing of qualification for a credit and any
54 evidence needed to substantiate a claim for a credit under this
55 section.

56 Section 2. Subsection (8) of section 220.02, Florida
57 Statutes, is amended to read:

58 220.02 Legislative intent.—

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59 (8) It is the intent of the Legislature that credits
60 against either the corporate income tax or the franchise tax be
61 applied in the following order: those enumerated in s. 631.828,
62 those enumerated in s. 220.191, those enumerated in s. 220.181,
63 those enumerated in s. 220.183, those enumerated in s. 220.182,
64 those enumerated in s. 220.1895, those enumerated in s. 220.195,
65 those enumerated in s. 220.184, those enumerated in s. 220.186,
66 those enumerated in s. 220.1845, those enumerated in s. 220.19,
67 those enumerated in s. 220.185, those enumerated in s. 220.1875,
68 those enumerated in s. 220.1876, those enumerated in s.
69 220.1877, those enumerated in s. 220.193, those enumerated in s.
70 288.9916, those enumerated in s. 220.1899, those enumerated in
71 s. 220.194, those enumerated in s. 220.196, those enumerated in
72 s. 220.198, ~~and~~ those enumerated in s. 220.1915, and those
73 enumerated in s. 220.199.

74 Section 3. Paragraph (a) of subsection (1) of section
75 220.13, Florida Statutes, is amended to read:

76 220.13 "Adjusted federal income" defined.—

77 (1) The term "adjusted federal income" means an amount
78 equal to the taxpayer's taxable income as defined in subsection
79 (2), or such taxable income of more than one taxpayer as
80 provided in s. 220.131, for the taxable year, adjusted as
81 follows:

82 (a) *Additions.*—There shall be added to such taxable income:

83 1.a. The amount of any tax upon or measured by income,
84 excluding taxes based on gross receipts or revenues, paid or
85 accrued as a liability to the District of Columbia or any state
86 of the United States which is deductible from gross income in
87 the computation of taxable income for the taxable year.

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88 b. Notwithstanding sub-subparagraph a., if a credit taken
89 under s. 220.1875, s. 220.1876, or s. 220.1877 is added to
90 taxable income in a previous taxable year under subparagraph 11.
91 and is taken as a deduction for federal tax purposes in the
92 current taxable year, the amount of the deduction allowed shall
93 not be added to taxable income in the current year. The
94 exception in this sub-subparagraph is intended to ensure that
95 the credit under s. 220.1875, s. 220.1876, or s. 220.1877 is
96 added in the applicable taxable year and does not result in a
97 duplicate addition in a subsequent year.

98 2. The amount of interest which is excluded from taxable
99 income under s. 103(a) of the Internal Revenue Code or any other
100 federal law, less the associated expenses disallowed in the
101 computation of taxable income under s. 265 of the Internal
102 Revenue Code or any other law, excluding 60 percent of any
103 amounts included in alternative minimum taxable income, as
104 defined in s. 55(b)(2) of the Internal Revenue Code, if the
105 taxpayer pays tax under s. 220.11(3).

106 3. In the case of a regulated investment company or real
107 estate investment trust, an amount equal to the excess of the
108 net long-term capital gain for the taxable year over the amount
109 of the capital gain dividends attributable to the taxable year.

110 4. That portion of the wages or salaries paid or incurred
111 for the taxable year which is equal to the amount of the credit
112 allowable for the taxable year under s. 220.181. This
113 subparagraph shall expire on the date specified in s. 290.016
114 for the expiration of the Florida Enterprise Zone Act.

115 5. That portion of the ad valorem school taxes paid or
116 incurred for the taxable year which is equal to the amount of

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117 the credit allowable for the taxable year under s. 220.182. This
118 subparagraph shall expire on the date specified in s. 290.016
119 for the expiration of the Florida Enterprise Zone Act.

120 6. The amount taken as a credit under s. 220.195 which is
121 deductible from gross income in the computation of taxable
122 income for the taxable year.

123 7. That portion of assessments to fund a guaranty
124 association incurred for the taxable year which is equal to the
125 amount of the credit allowable for the taxable year.

126 8. In the case of a nonprofit corporation which holds a
127 pari-mutuel permit and which is exempt from federal income tax
128 as a farmers' cooperative, an amount equal to the excess of the
129 gross income attributable to the pari-mutuel operations over the
130 attributable expenses for the taxable year.

131 9. The amount taken as a credit for the taxable year under
132 s. 220.1895.

133 10. Up to nine percent of the eligible basis of any
134 designated project which is equal to the credit allowable for
135 the taxable year under s. 220.185.

136 11. Any amount taken as a credit for the taxable year under
137 s. 220.1875, s. 220.1876, or s. 220.1877. The addition in this
138 subparagraph is intended to ensure that the same amount is not
139 allowed for the tax purposes of this state as both a deduction
140 from income and a credit against the tax. This addition is not
141 intended to result in adding the same expense back to income
142 more than once.

143 12. The amount taken as a credit for the taxable year under
144 s. 220.193.

145 13. Any portion of a qualified investment, as defined in s.

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146 288.9913, which is claimed as a deduction by the taxpayer and
147 taken as a credit against income tax pursuant to s. 288.9916.

148 14. The costs to acquire a tax credit pursuant to s.
149 288.1254(5) that are deducted from or otherwise reduce federal
150 taxable income for the taxable year.

151 15. The amount taken as a credit for the taxable year
152 pursuant to s. 220.194.

153 16. The amount taken as a credit for the taxable year under
154 s. 220.196. The addition in this subparagraph is intended to
155 ensure that the same amount is not allowed for the tax purposes
156 of this state as both a deduction from income and a credit
157 against the tax. The addition is not intended to result in
158 adding the same expense back to income more than once.

159 17. The amount taken as a credit for the taxable year
160 pursuant to s. 220.198.

161 18. The amount taken as a credit for the taxable year
162 pursuant to s. 220.1915.

163 19. The amount taken as a credit for the taxable year
164 pursuant to s. 220.199.

165 Section 4. This act shall take effect July 1, 2023.