

By the Committee on Finance and Tax; and Senators Burgess and Calatayud

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1 A bill to be entitled
2 An act relating to residential graywater system tax
3 credits; amending s. 213.053, F.S.; authorizing the
4 Department of Revenue to provide certain information
5 to the Department of Environmental Protection;
6 creating s. 220.199, F.S.; defining terms; providing a
7 tax credit to developers and homebuilders for certain
8 graywater systems purchased during the taxable year;
9 providing a cap on the amount of the tax credit per
10 system; specifying information the developer or
11 homebuilder must provide to the Department of
12 Environmental Protection; requiring the Department of
13 Environmental Protection to certify to the applicant
14 and the Department of Revenue its determination of an
15 applicant's eligibility for the tax credit within a
16 specified timeframe; authorizing tax credits to be
17 carried forward for up to a specified number of years;
18 requiring the Department of Revenue and the Department
19 of Environmental Protection to adopt rules; amending
20 s. 220.02, F.S.; revising the order in which credits
21 may be taken to include credits created by the act;
22 amending s. 220.13, F.S.; revising the definition of
23 the term "adjusted federal income" to include credits
24 created by the act; providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

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28 Section 1. Paragraph (o) of subsection (8) of section
29 213.053, Florida Statutes, is amended to read:

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213.053 Confidentiality and information sharing.—

(8) Notwithstanding any other provision of this section, the department may provide:

(o) Information relative to ss. 220.1845, 220.199, and 376.30781 to the Department of Environmental Protection in the conduct of its official business.

Disclosure of information under this subsection shall be pursuant to a written agreement between the executive director and the agency. Such agencies, governmental or nongovernmental, shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of confidentiality is a misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083.

Section 2. Section 220.199, Florida Statutes, is created to read:

220.199 Residential graywater system tax credit.—

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

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

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

381.0065(2)(f).

(2) For taxable years beginning on or after January 1, 2024, a developer or homebuilder is eligible to receive a credit against the tax imposed by this chapter in an amount up to 50 percent of the cost of each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. The tax credit may not exceed \$4,200 for each system purchased.

(3) To claim a credit under this section, a developer or

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59 homebuilder must submit an application to the Department of
60 Environmental Protection which includes documentation showing
61 that the developer or homebuilder has purchased for use in this
62 state a graywater system meeting the requirements of subsection
63 (2) and that the graywater system meets the functionality
64 assurances provided in s. 403.892(3)(c). The Department of
65 Environmental Protection shall make a determination on the
66 eligibility of the applicant for the credit sought and shall
67 certify the determination to the applicant and the Department of
68 Revenue within 60 days after receipt of a completed application.
69 The taxpayer must attach the certification from the Department
70 of Environmental Protection to the tax return on which the
71 credit is claimed.

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

75 (5) The Department of Revenue shall adopt rules to
76 administer this section, including, but not limited to, rules
77 prescribing forms for a credit and any evidence needed to
78 substantiate a claim for a credit under this section.

79 (6) The Department of Environmental Protection shall adopt
80 rules to administer this section, including, but not limited to,
81 rules relating to application forms for credit approval and
82 certification and the application and certification procedures,
83 guidelines, and requirements necessary to administer this
84 section.

85 Section 3. Subsection (8) of section 220.02, Florida
86 Statutes, is amended to read:

87 220.02 Legislative intent.—

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88 (8) It is the intent of the Legislature that credits
89 against either the corporate income tax or the franchise tax be
90 applied in the following order: those enumerated in s. 631.828,
91 those enumerated in s. 220.191, those enumerated in s. 220.181,
92 those enumerated in s. 220.183, those enumerated in s. 220.182,
93 those enumerated in s. 220.1895, those enumerated in s. 220.195,
94 those enumerated in s. 220.184, those enumerated in s. 220.186,
95 those enumerated in s. 220.1845, those enumerated in s. 220.19,
96 those enumerated in s. 220.185, those enumerated in s. 220.1875,
97 those enumerated in s. 220.1876, those enumerated in s.
98 220.1877, those enumerated in s. 220.193, those enumerated in s.
99 288.9916, those enumerated in s. 220.1899, those enumerated in
100 s. 220.194, those enumerated in s. 220.196, those enumerated in
101 s. 220.198, ~~and~~ those enumerated in s. 220.1915, and those
102 enumerated in s. 220.199.

103 Section 4. Paragraph (a) of subsection (1) of section
104 220.13, Florida Statutes, is amended to read:

105 220.13 "Adjusted federal income" defined.—

106 (1) The term "adjusted federal income" means an amount
107 equal to the taxpayer's taxable income as defined in subsection
108 (2), or such taxable income of more than one taxpayer as
109 provided in s. 220.131, for the taxable year, adjusted as
110 follows:

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

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

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117 b. Notwithstanding sub-subparagraph a., if a credit taken
118 under s. 220.1875, s. 220.1876, or s. 220.1877 is added to
119 taxable income in a previous taxable year under subparagraph 11.
120 and is taken as a deduction for federal tax purposes in the
121 current taxable year, the amount of the deduction allowed shall
122 not be added to taxable income in the current year. The
123 exception in this sub-subparagraph is intended to ensure that
124 the credit under s. 220.1875, s. 220.1876, or s. 220.1877 is
125 added in the applicable taxable year and does not result in a
126 duplicate addition in a subsequent year.

127 2. The amount of interest which is excluded from taxable
128 income under s. 103(a) of the Internal Revenue Code or any other
129 federal law, less the associated expenses disallowed in the
130 computation of taxable income under s. 265 of the Internal
131 Revenue Code or any other law, excluding 60 percent of any
132 amounts included in alternative minimum taxable income, as
133 defined in s. 55(b)(2) of the Internal Revenue Code, if the
134 taxpayer pays tax under s. 220.11(3).

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

139 4. That portion of the wages or salaries paid or incurred
140 for the taxable year which is equal to the amount of the credit
141 allowable for the taxable year under s. 220.181. This
142 subparagraph shall expire on the date specified in s. 290.016
143 for the expiration of the Florida Enterprise Zone Act.

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

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

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

152 7. That portion of assessments to fund a guaranty
153 association incurred for the taxable year which is equal to the
154 amount of the credit allowable for the taxable year.

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

160 9. The amount taken as a credit for the taxable year under
161 s. 220.1895.

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

165 11. Any amount taken as a credit for the taxable year under
166 s. 220.1875, s. 220.1876, or s. 220.1877. The addition in this
167 subparagraph is intended to ensure that the same amount is not
168 allowed for the tax purposes of this state as both a deduction
169 from income and a credit against the tax. This addition is not
170 intended to result in adding the same expense back to income
171 more than once.

172 12. The amount taken as a credit for the taxable year under
173 s. 220.193.

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

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175 288.9913, which is claimed as a deduction by the taxpayer and
176 taken as a credit against income tax pursuant to s. 288.9916.

177 14. The costs to acquire a tax credit pursuant to s.
178 288.1254(5) that are deducted from or otherwise reduce federal
179 taxable income for the taxable year.

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

182 16. The amount taken as a credit for the taxable year under
183 s. 220.196. The addition in this subparagraph is intended to
184 ensure that the same amount is not allowed for the tax purposes
185 of this state as both a deduction from income and a credit
186 against the tax. The addition is not intended to result in
187 adding the same expense back to income more than once.

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

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

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

194 Section 5. This act shall take effect July 1, 2023.