

1                                   A bill to be entitled  
 2           An act relating to residential graywater system tax  
 3           credits; creating s. 220.199, F.S.; providing  
 4           definitions; providing a tax credit to developers and  
 5           homebuilders for certain graywater systems purchased  
 6           during the taxable year; providing a cap on the amount  
 7           of the tax credit per system; specifying information  
 8           the 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 this act;  
 14          amending s. 220.13, F.S.; revising the definition of  
 15          the term "adjusted federal income" to include credits  
 16          created by this act; providing an effective date.

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

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 20           Section 1.   Section 220.199, Florida Statutes, is created  
 21   to 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  
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  
48        may 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

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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.—

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:

220.13 "Adjusted federal income" defined.—

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

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

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

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

2. The amount of interest which is excluded from taxable income under s. 103(a) of the Internal Revenue Code or any other

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

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

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

116 5. That portion of the ad valorem school taxes paid or  
117 incurred for the taxable year which is equal to the amount of  
118 the credit allowable for the taxable year under s. 220.182. This  
119 subparagraph shall expire on the date specified in s. 290.016  
120 for the expiration of the Florida Enterprise Zone Act.

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

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

126 amount of the credit allowable for the taxable year.

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

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

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

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

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

146 13. Any portion of a qualified investment, as defined in  
147 s. 288.9913, which is claimed as a deduction by the taxpayer and  
148 taken as a credit against income tax pursuant to s. 288.9916.

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

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151 taxable income for the taxable year.

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

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

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

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

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

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