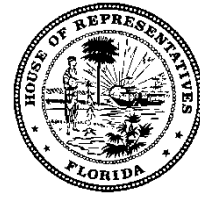




**Ben Albritton**  
*President of the Senate*

## THE FLORIDA LEGISLATURE



**Daniel Perez**  
*Speaker of the House of  
Representatives*

June 13, 2025

The Honorable Ben Albritton  
President of the Senate

The Honorable Daniel Perez  
Speaker, House of Representatives

Dear Mr. President and Mr. Speaker:

Your Conference Committee on the disagreeing votes of the two houses on HB 7031, same being:

An act relating to Sales Tax Rate Reductions.

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

1. That the Senate recede from its Amendment 535388.
2. That the Senate and House of Representatives adopt the Conference Committee Amendment attached hereto, and by reference made a part of this report.

<i>Senator Ed Hooper, Chair</i>	<i>Senator Kristen Aston Arrington</i>
<i>Senator Bryan Avila</i>	<i>Senator Lori Berman, At Large</i>
<i>Senator Mack Bernard</i>	<i>Senator Jim Boyd, At Large</i>
<i>Senator Jennifer Bradley</i>	<i>Senator Jason Brodeur, At Large</i>
<i>Senator Danny Burgess</i>	<i>Senator Colleen Burton</i>
<i>Senator Alexis Calatayud</i>	<i>Senator Jay Collins</i>
<i>Senator Tracie Davis</i>	<i>Senator Nick DiCeglie</i>
<i>Senator Don Gaetz</i>	<i>Senator Ileana Garcia</i>
<i>Senator Erin Grall</i>	<i>Senator Joe Gruters, At Large</i>
<i>Senator Gayle Harrell</i>	<i>Senator Blaise Ingolia</i>
<i>Senator Shevrin D. Jones</i>	<i>Senator Thomas J. Leek</i>
<i>Senator Jonathan Martin</i>	<i>Senator Stan McClain</i>
<i>Senator Rosalind Osgood</i>	<i>Senator Kathleen Passidomo, At Large</i>
<i>Senator Jason W. B. Pizzo</i>	<i>Senator Tina Scott Polsky</i>
<i>Senator Ana Maria Rodriguez</i>	<i>Senator Darryl Ervin Rouson, At Large</i>
<i>Senator Barbara Sharief</i>	<i>Senator Corey Simon</i>
<i>Senator Carlos Guillermo Smith</i>	<i>Senator Keith L. Truenow</i>
<i>Senator Jay Trumbull</i>	<i>Senator Tom A. Wright</i>
<i>Senator Clay Yarborough</i>	

**Conferees on the part of the Senate**

<i>Representative Lawrence McClure, Chair</i>	<i>Representative Robert Charles Brannan III, At Large</i>
<i>Representative James Buchanan, At Large</i>	<i>Representative Jennifer Canady, At Large</i>
<i>Representative Joe Casello, At Large</i>	<i>Representative Kevin D. Chambliss, At Large</i>
<i>Representative Fentrice Driskell, At Large</i>	<i>Representative Wyman Duggan, At Large</i>
<i>Representative Anna V. Eskamani, At Large</i>	<i>Representative Sam Garrison, At Large</i>
<i>Representative Christine Hunschofsky, At Large</i>	<i>Representative Traci Koster, At Large</i>
<i>Representative Lauren Melo, At Large</i>	<i>Representative James Vernon Mooney, Jr., At Large</i>
<i>Representative Tobin Rogers Overdorf, At Large</i>	<i>Representative Michele K. Rayner, At Large</i>
<i>Representative Felicia Simone Robinson, At Large</i>	<i>Representative William Cloud Robinson, At Large</i>
<i>Representative Tyler I. Sirois, At Large</i>	<i>Representative Allison Tant, At Large</i>
<i>Representative Josie Tomkow, At Large</i>	<i>Representative Kaylee Tuck, At Large</i>
<i>Representative Susan L. Valdés, At Large</i>	<i>Representative Marie Paule Woodson, At Large</i>

**Managers on the part of the House of Representatives**

June 13, 2025

The Conference Committee Amendment for HB 7031, relating to Taxation, provides for a number of tax reductions and other tax-related modifications designed to directly impact both families and businesses.

The amendment repeals two taxes: the “business rent tax” beginning October 1, 2025, and the aviation fuel tax beginning January 1, 2026. The amendment also delays the imposition of the scheduled tax on natural gas fuel from January 1, 2026, to January 1, 2030, effectively making natural gas fuel exempt from tax for an additional 4 years.

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

- A permanent Back-to-School Sales Tax Holiday, occurring for the entire month of August each year.
- Permanent exemptions for the following items, which have been included in past sales tax holidays passed by the Legislature:
  - AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries.
  - Fire extinguishers, smoke detectors or smoke alarms, and carbon monoxide detectors.
  - Certain portable generators.
  - Waterproof tarpaulins and other flexible waterproof sheeting 1,000 square feet or less.
  - Ground anchor systems and tie-down kits.
  - Five gallon or less gas or diesel fuel cans.
  - All bicycle helmets (currently only youth helmets are exempt).
  - Sunscreen, insect repellent, and life jackets.
  - Admission to Florida State Parks.
- A hunting, fishing, and camping sales tax holiday from September 8, 2025 through December 31, 2025.
- Exempts all sales of gold, silver, and platinum bullion (currently sales with price below \$500 are taxable).
- Exempts NASCAR Championship Race tickets from the tax on admissions.
- The timeframe for the data center sales tax exemption certificate to be issued is extended from ending on June 30, 2027, to June 30, 2037 and the megawatts (MW) requirements for qualification is increased from 15 MW to 100 MW.

For corporate income tax, the amendment:

- Exempts charitable trusts.
- Adopts the Internal Revenue Code in effect on January 1, 2025, to maintain conformity with federal provisions.

To assist the Legislature in its review of significant tax relief measures for homeowners of this state, the amendment directs the Office of Economic and Demographic Research (EDR) to conduct a study of the state’s property tax system and make a report and recommendations to the Legislature by November 1, 2025. The amendment appropriates \$1 million of nonrecurring funds from the General Revenue Fund to EDR to complete the study.

For property taxes, the amendment:

- Provides an appropriation of \$500,000 of nonrecurring funds from the General Revenue Fund to the Department of Revenue to provide reimbursement to fiscally constrained counties for refunds made to owners of damaged and uninhabitable residential properties in 2024.
- Includes the following expansions or creations of new exemptions for affordable housing are included, which will apply to the 2026 tax rolls:
  - The exemption for land leased by a nonprofit for affordable housing for at least 99 years is expanded to include property leased from a local housing finance authority as well as land leased and assigned or subleased from the nonprofit to persons for affordable housing.
  - A new exemption for newly constructed multifamily affordable housing of at least 70 units which is on government property leased for at least 30 years
  - A new exemption for new multifamily affordable housing of at least 70 units which is on state-owned property leased for at least 60 years. This exemption expires December 31, 2061.
  - The exemption for property used for new multifamily affordable housing for 99 years is expanded to include property leased from a local housing finance authority.
  - Eligibility is expanded for to allow successive owners to apply for the exemption for new multifamily affordable housing that is based on the income of the tenants.
- Beginning January 1, 2026, for tangible personal property tax purposes, treats flight simulators as owned by a governmental unit rather than leased, if the simulator reverts to the government upon expiration of a lease.
- The educational property exemption is expanded to include gold seal certified childcare facilities if the gold seal facility is responsible for the payment of property taxes under the terms of the facility's lease.
- The following changes are made to the value adjustment board (VAB) process:
  - Beginning January 1, 2026, allows the petitioner to appear telephonically, by video conference, or by other electronic means, unless a county with a population of less than 70,000 opts out.
  - Beginning January 1, 2026, allows a taxpayer to file an appeal if the tax roll has been extended.
  - Beginning September 1, 2025, requires property appraisers to provide evidence to taxpayers at least 15 days before hearing.
  - Authorizes the VAB to adopt a filing fee of up to \$50, instead of \$15.
- Citrus packing housing and processor equipment may be assessed at salvage value for the 2025 tangible personal property tax roll if the property owner applies for such assessment by August 1, 2025, and the property is no longer used in the operations due to citrus greening.
- The agricultural classification for agricultural properties affected by citrus greening or other state or federal quarantine programs is extended 10 years, instead of 5 years, after execution of an agreement with the Department of Agriculture and Consumer Services or federal agency, as applicable.

The amendment creates two new tax credit programs and amends an existing program:

- The new Home Away from Home Tax Credit provides \$13 million in annual tax credits to Florida businesses for contributing to charitable organizations that house families of

critically ill children at little or no cost to the family while traveling so the child can receive care. Credits can be applied to corporate income, insurance premium, or beverage taxes. The amendment appropriates \$155,282 of nonrecurring funds from the General Revenue Fund to the Department of Revenue to implement the tax credit.

- The new Rural Communities Investment Program allows investors to earn a total of \$7 million in annual tax credits against the corporate income or insurance premium tax by investing in a rural fund. The program is capped at \$35 million over five years.
- Related to the Strong Families Tax Credit, the amendment clarifies that the charitable organization only has to submit an IRS Form 990 if it was required to file one with the IRS.

For local taxes, the amendment:

- Extends the current freeze on rate increases for local communications services tax (CST) from January 1, 2026, to January 1, 2031.
- Requires local governments to prioritize the use of local CST revenue for the timely review, processing, and approval of permit applications for the use of rights-of-way by providers.
- Allows fiscally constrained counties adjacent to the Gulf of America or the Atlantic Ocean to use tourist development tax (TDT) revenues for public facilities.
- Allows all counties adjacent to the Gulf of America or the Atlantic Ocean to use TDT revenues for beach lifeguards.
- Allows counties and school boards to reduce or repeal certain local discretionary sales surtaxes in effect by a two-thirds vote.
- Extends timeframe for local incentive program benefits in enterprise zones to continue from December 31, 2025, to December 31, 2035, for multi-phase projects that vested on or before December 31, 2021.

For pari-mutuel taxes, the amendment:

- Clarifies the live racing requirements for the 0.5 percent applicable tax rate on handle for intertrack wagering.
- Eliminates the slot machine licensing fee for thoroughbred permitholders.
- Reduces the cardroom tax rate from 10 percent to 8 percent.

The amendment makes changes to distributions of tax revenues by:

- Increasing the amount of beverage tax distributions made to the University of Miami Sylvester Comprehensive Cancer Center (\$10 million to \$20 million total); Mayo Clinic Comprehensive Cancer Center (\$10 million to \$20 million total); University of Florida Health Shands Cancer Center Brain Tumor Immunotherapy Program (\$5 million to \$10 million total); and University of Florida Norman Fixel Institute for Neurological Diseases (\$5 million to \$10 million total).
- Redirecting the \$5 million distribution from the Florida Thoroughbred Breeders' Association, Inc. (FTBA) to Tampa Bay Downs, Inc. (\$500,000 to \$1.5 million total) and

Gulfstream Park Racing Association, Inc. (\$2 million to \$6 million total) for purses or purse-supplements and repeals references to the association.

- Revising the distribution from documentary stamp tax revenues to:
  - Reduce the funds distributed to the Department of Transportation, eliminating the distribution for the New Starts Transit Program and the Florida Rail Enterprise.
  - Eliminate the \$150 million distribution to the State Housing Trust Fund for s. 420.50871, F.S. Other housing trust fund distributions are unaffected.
  - Apply the general revenue service charge to all taxes collected.

The amendment clarifies that a forwarding agent already registered as a sales tax dealer with the Department of Revenue is not required to resubmit a dealer application when applying for or renewing a forwarding agent certificate. Additionally, the amendment makes administrative changes to department's pre-audit preparation process and clarifies administration of overpayment of taxes.

The amendment adds the data center sales tax exemption certificate and the Rural Communities Investment Program to the reporting cycles for economic development programs evaluation of the Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability.

The Revenue Estimating Conference has not yet met 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 (negative indeterminate recurring), state trust (negative indeterminate recurring), and local government revenues (negative indeterminate recurring) in Fiscal Year 2025-2026.

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