

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HB 1041](#)

**TITLE:** Business Development Incentives for Veterans and Military Spouses

**SPONSOR(S):** Gantt

**COMPANION BILL:** [SB 1182](#) (Jones)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Intergovernmental Affairs](#)

13 Y, 0 N, As CS

[Ways & Means](#)

[State Affairs](#)

## SUMMARY

### Effect of the Bill:

The bill:

- Requires the Department of State (DOS) to waive all fees for a new business established by a veteran or military spouse or an existing veteran-owned or military spouse-owned small business that relocates to Florida.
- Provides certain corporate income tax and sales tax exemptions to eligible veteran-owned and military spouse-owned businesses.
- Requires the Department of Veterans' Affairs to submit an annual report to the Governor and the Legislature including various data regarding veteran-owned and military spouse-owned businesses.

### Fiscal or Economic Impact:

The bill may have an indeterminate negative impact on state government revenues to the extent that veteran-owned or military spouse-owned businesses that would otherwise have paid fees to the DOS receive fee waivers and receive sales and corporate income tax exemptions.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill creates the Florida Veterans and Military Spouse Business Development Act (Act) to attract and support veteran-owned and military spouse-owned businesses by providing incentives. (Section [1](#))

The bill defines a veteran-owned or military spouse-owned business as a business entity that:

- Employs 200 or fewer permanent full-time employees.
- Has a net worth of \$5 million or less, including its affiliates or a net worth of \$5 million or less, including personal or business investments, if the business is a sole proprietorship.
- Is organized to engage in commercial transactions.
- Is domiciled in the state.
- Is at least 51 percent owned by one or more veterans or military spouses.
- One or more veterans or military spouses control the management and daily business operations; and
- Has a professional license in the name of a veteran or military spouse who owns the business entity, if applicable. (Section [1](#))

The bill defines "military spouse" as the spouse of an active duty member of the U.S. Armed Forces or a veteran. (Section [1](#))

**STORAGE NAME:** h1041a.IAS

**DATE:** 2/6/2026

The bill requires the Department of State (DOS) to waive all [fees](#) for a new business established by a veteran or military spouse or an existing veteran-owned or military spouse-owned business that relocates to Florida. The bill requires DOS to establish registration requirements for the fee waivers, which must include:

- For veterans, a DD Form 214 or another acceptable form of identification as specified by the United States Department of Veterans Affairs; or
- For military spouses, verification of a relationship with a spouse who is an active duty servicemember or a veteran. (Section [1](#))

The fee waivers apply to such businesses established or certified between July 1, 2026, and June 30, 2031. (Section [1](#))

The bill provides the following tax exemptions for eligible veteran-owned and military spouse-owned businesses:

- A five-year exemption from Florida [corporate income tax](#) for a business that is wholly percent veteran-owned or military spouse-owned and has been in business for at least five years or that is at least 51 percent veteran-owned or military spouse-owned and has been in business for at least seven years.
- A one-time [sales tax](#) exemption on purchases of equipment and supplies directly related to the business operations of a veteran-owned or military spouse-owned business. (Section [1](#))

The bill requires the Department of Revenue (DOR) to establish procedures for eligible businesses to claim a tax exemption under the bill and provides that if the eligible business relocates to the state, the tax exemptions apply for five years after the date the business is established. (Section [1](#))

The bill requires the [Department of Veterans' Affairs \(FDVA\)](#) to submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 of each year that includes:

- The number of veteran-owned and military spouse-owned businesses that were established in Florida or relocated to Florida.
- Economic metrics such as jobs created by and tax revenue impact of veteran-owned or military spouse-owned businesses.
- Demographic data for the participating veterans and military spouses. (Section [1](#))

The effective date of the bill is July 1, 2026. (Section [2](#)).

#### **RULEMAKING:**

The bill requires the FDVA, the DOR, and the DOS to develop rules to administer the Act.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

#### **FISCAL OR ECONOMIC IMPACT:**

#### **STATE GOVERNMENT:**

The bill may have an indeterminate negative impact on state government revenues to the extent that veteran-owned or military spouse-owned businesses that would otherwise have paid fees to the DOS receive fee waivers and receive sales and corporate income tax exemptions.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### [Florida Department of Veterans' Affairs \(FDVA\)](#)

The FDVA is a nearly 1,500-member constitutionally chartered<sup>1</sup> department with a budget of \$218 million for Fiscal Year 2024-25.<sup>2</sup> FDVA operates a network of nine state veterans' homes and provides statewide outreach to connect veterans and their spouses with services, benefits, and support.<sup>3</sup> FDVA is currently required to provide benefits and services in the fields of health care, mental health and substance abuse, claims support, education, employment, housing, burial benefits, and legal assistance to veterans and their spouses.<sup>4</sup>

Florida is home to 20 military installations<sup>5</sup> and has the nation's third-largest veteran population, with almost 1.4 million veterans.<sup>6</sup>

#### [Corporation Fees](#)

The Department of State (DOS) is the state's central location responsible for receiving and maintaining a number of corporate records.<sup>7</sup> Florida law requires certain documents to be filed with the Division of Corporations (division) of the DOS for a business to be organized as a corporation, partnership, LLC, or other business/commercial entity.<sup>8</sup> Business entities can file these documents and check their status through an internet portal maintained by the division.

A Limited Liability Company (LLC) is a type of business entity recognized by and regulated under chapter 605, F.S., the Florida Revised Limited Liability Company Act. The benefits to forming a business as an LLC include a flexible tax structure and a vertical liability shield, which limits the personal liability of the LLC's members and managers for company obligations.<sup>9</sup>

A for-profit corporation is a type of business entity recognized and regulated under chapter 607, F.S. To organize, a corporation must file articles of incorporation, including specifics such as a corporate name, address, number of shares, and the designation of a registered office and agent.<sup>10</sup>

To help maintain these records, the DOS is statutorily allowed to collect fees, such as:<sup>11</sup>

<b>Corporation Fees</b>	
<b>New Florida/Foreign Corporation</b>	
Filing Fees	\$35.00
Registered Agent Designation	\$35.00
<b>Annual Reports</b>	
Annual Report of a For Profit Corporation	\$150.00
Annual Report of Not for Profit Corporation	\$61.25
<b>Resignation of Agent</b>	

<sup>1</sup> [Art. IV, s. 11, Fla. Const.](#)

<sup>2</sup> FDVA, [2024 Annual Report](#), pg. 3 (last visited Jan. 26, 2026).

<sup>3</sup> FDVA, [Executive Director's Message](#) (last visited Jan. 26, 2026).

<sup>4</sup> FDVA, [Benefits & Services](#) (last visited Jan. 26, 2026).

<sup>5</sup> FloridaCommerce, [Florida Defense Industry Economic Impact Analysis 2024 Update \(January 2024\)](#) (last visited Jan. 26, 2026).

<sup>6</sup> U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, [VetPop2023 Living Veterans by State, Age Group, Gender, 2023-2053](#) (last visited Jan. 26, 2026). The Veteran Population Projection Model 2023 (VetPop2023) provides an official veteran population projection from the U.S. Department of Veterans Affairs.

<sup>7</sup> [S. 606.01\(2\), F.S.](#)

<sup>8</sup> Florida Dept. of State, Division of Corporations, [Start E-Filing](#) (last visited Jan. 26, 2026).

<sup>9</sup> U.S. Small Business Administration, [Choose a Business Structure](#) (last visited Jan. 26, 2026).

<sup>10</sup> [S. 607.0202, F.S.](#)

<sup>11</sup> Florida Dept. of State, Division of Corporations, [Fees](#) (last visited Jan. 26, 2026).

Resignation of Registered Agent of an Active Corporation	\$87.50
Resignation of Registered Agent of an Administratively Dissolved/Voluntarily Dissolved/Withdrawn Corporation/Inactive Corporation	\$35.00

<b>Limited Liability Company Fees</b>	
<b>New Florida/Foreign LLC</b>	
Filing Fee	\$100.00
Registered Agent Designation Fee	\$25.00
<b>Annual Reports</b>	
Annual Report	\$138.75
<b>Resignation of Agent</b>	
Resignation of Registered Agent for an active LLC	\$85.00
Resignation of Registered Agent for a dissolved/inactive LLC	\$25.00

### Corporate Income Tax

Florida levies a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.<sup>12</sup> Florida utilizes the taxable income determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.<sup>13</sup> This means that a corporation paying taxes in Florida generally receives the same benefits from deductions allowed when determining taxable income for federal tax purposes as it does when determining taxable income for state taxation purposes, unless the state chooses not to adopt specific federal provisions.

### Sales Tax

Florida's sales and use tax is a 6 percent levy on retail sales of a wide array of tangible personal property, admissions, and transient lodgings, unless expressly exempted.<sup>14</sup> Generally, the sales tax is added to the price of a taxable good and collected by the dealer from the purchaser at the time of sale.

Sales tax represents the majority of Florida's General Revenue (projected 73.9 percent for FY 2024-25)<sup>15</sup> and is administered by the Department of Revenue (DOR) under chapter 212, F.S. Sales tax revenue is distributed via a formula found in section [212.20, F.S.](#), with roughly 89.6 percent going to the General Revenue Fund, 10.3 percent going to local governments,<sup>16</sup> and the remainder being distributed to specified trust funds or sports facilities.

<sup>12</sup> [S. 220.11\(2\), F.S.](#)

<sup>13</sup> [S. 220.12, F.S.](#)

<sup>14</sup> [S. 212.05\(1\), F.S.](#)

<sup>15</sup> Office of Economic and Demographic Research, [2024 Florida Tax Handbook](#), p. 16 (last visited Feb. 2, 2026).

<sup>16</sup> The local government distributions include the Local Government Half-Cent Sales Tax Clearing Trust Fund under [section 218.61, F.S.](#), county and municipal revenue sharing trust funds under [section 218.215, F.S.](#), emergency distributions under [section 218.65, F.S.](#), and a shift of a specified amount to counties that used to be funded from pari-mutuel revenues pursuant to [section 212.20\(6\)\(d\)6.a., F.S.](#)

**BILL HISTORY**

<b>COMMITTEE REFERENCE</b>	<b>ACTION</b>	<b>DATE</b>	<b>STAFF DIRECTOR/ POLICY CHIEF</b>	<b>ANALYSIS PREPARED BY</b>
<a href="#">Intergovernmental Affairs Subcommittee</a>	13 Y, 0 N, As CS	2/5/2026	Darden	Burgess
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> <li>Removed the exemption from the franchise tax.</li> <li>Clarified that the DOR has rulemaking authority in addition to the FDVA and DOS.</li> </ul>			
<a href="#">Ways &amp; Means Committee</a>				
<a href="#">State Affairs Committee</a>				

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**THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.**  
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