

By the Committee on Military and Veterans Affairs, Space, and Domestic Security; and Senator Jones

583-02775-26

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A bill to be entitled

An act relating to business development incentives for veterans and military spouses; amending s. 213.053, F.S.; authorizing the Department of Revenue to provide specified state tax information to the Department of Veterans' Affairs and the Department of State under a specified condition; creating s. 295.189, F.S.; providing a short title; providing legislative findings and intent; defining terms; requiring the Department of State to waive all fees for certain businesses; providing applicability; providing that certain businesses are eligible to receive specified tax exemptions; providing eligibility requirements for such exemptions; providing applicability; requiring the Department of Revenue to adopt specified rules; requiring the Department of Veterans' Affairs, the Department of Revenue, and the Department of State to adopt specified rules and ensure interagency cooperation; requiring the Department of Veterans' Affairs to establish registration requirements for businesses seeking certain fee waivers and tax exemptions; specifying registration requirements; requiring that applicants meeting certain requirements receive a verification letter from the Department of Veterans' Affairs; specifying ways in which such letter may be used or presented; requiring the Department of Veterans' Affairs to notify the Department of State and the Department of Revenue under specified conditions; providing annual reporting

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requirements, beginning on a specified date; providing
an effective date.

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

Section 1. Paragraph (cc) is added to subsection (8) of
section 213.053, Florida Statutes, to read:

213.053 Confidentiality and information sharing.—

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

(cc) State tax information relative to the exemptions in s.
295.189(5) pursuant to any formal agreement for the mutual
exchange of information between the Department of Veterans'
Affairs, the Department of State, and the Department of Revenue.

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 295.189, Florida Statutes, is created to
read:

295.189 Business development incentives for veterans and
military spouses.—

(1) SHORT TITLE.—This section may be cited as the "Florida
Veterans and Military Spouses Business Development Act."

(2) LEGISLATIVE FINDINGS AND INTENT.—

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59 (a) The Legislature finds that veterans and military
60 spouses contribute significantly to this state's economy through
61 their skills, expertise, and entrepreneurial efforts.

62 (b) The Legislature recognizes the challenges of frequent
63 relocations and economic instability faced by many military
64 spouses.

65 (c) It is the intent of the Legislature that this act serve
66 to attract and support veteran-owned and military spouse-owned
67 businesses by providing incentives.

68 (3) DEFINITIONS.—As used in this section, the term:

69 (a) "Military spouse" means a spouse of:

70 1. An active duty member of the United States Armed Forces;

71 or

72 2. A veteran.

73 (b) "Veteran" has the same meaning as in s. 1.01(14).

74 (c) "Veteran-owned or military spouse-owned business" means
75 any business entity:

76 1. That employs 200 or fewer permanent full-time employees.

77 2. That, together with its affiliates, has a net worth of
78 \$5 million or less or, if a sole proprietorship, has a net worth
79 of \$5 million or less including personal and business
80 investments.

81 3. That is domiciled in this state.

82 4. That is at least 51 percent owned and operated by one or
83 more veterans or military spouses.

84 5. The management and daily business operations of which
85 are controlled by one or more veterans or military spouses.

86 6. That has a professional license, if required by the
87 industry, in the name of a veteran or military spouse who owns

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the business entity.

(4) FEE WAIVER.—

(a) The Department of State shall waive all fees for:

1. A new business established by a veteran or military spouse in this state.

2. An existing veteran-owned or military spouse-owned business in this state.

(b) The fee waivers apply to veteran-owned or military spouse-owned businesses established between July 1, 2026, and June 30, 2031.

(5) TAX EXEMPTIONS.—

(a) Eligible veteran-owned and military spouse-owned businesses shall receive:

1. A temporary increase in the exemption provided by s. 220.14 for business entities incorporated in this state and subject to the tax imposed by chapter 220, for the taxable year in which the Department of Veterans' Affairs verifies the veteran-owned or military spouse-owned business pursuant to subsection (7) and for each of the 4 subsequent taxable years.

a. A business that is 100 percent veteran-owned or military spouse-owned is eligible to receive an exemption from the tax imposed by chapter 220, totaling \$100,000 per taxable year for 5 taxable years, after being in business for at least 5 years from the date of its incorporation in this state.

b. A business that is at least 51 percent veteran-owned or military spouse-owned but does not qualify for the tax exemption under sub-subparagraph a. is eligible to receive an exemption from the tax imposed by chapter 220, totaling \$100,000 per taxable year for 5 taxable years, after being in business for at

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117 least 7 years from the date of its incorporation in this state.

118 2. A one-time sales tax exemption for veteran-owned or
119 military spouse-owned businesses for purchases of equipment and
120 supplies directly related to and used for business operations.
121 This exemption does not apply to purchases of items that are
122 used for personal purposes or items used for both personal and
123 business purposes.

124 a. A business entity that is at least 51 percent veteran-
125 owned or military spouse-owned is eligible to receive the sales
126 tax exemption during the first year of business upon the
127 issuance of a temporary tax exemption certificate by the
128 Department of Revenue.

129 b. A business entity incorporated in this state and subject
130 to the tax imposed by chapter 220 which is 100 percent veteran-
131 owned or military spouse-owned and has been in business for 5
132 years and whose net income as reported on its Florida corporate
133 income or franchise tax return after application of the
134 exemption provided in s. 220.14 is \$0 for the 5th taxable year
135 is eligible to receive the 1-year sales tax exemption upon the
136 issuance of a temporary tax certificate by the Department of
137 Revenue.

138 c. A business entity incorporated in this state and subject
139 to the tax imposed by chapter 220 which is at least 51 percent
140 veteran-owned or military spouse-owned and has been in business
141 for 7 years and whose net income as reported on its Florida
142 corporate income or franchise tax return is \$0 for the 7th
143 taxable year is eligible to receive the 1-year sales tax
144 exemption upon the issuance of a temporary tax exemption
145 certificate by the Department of Revenue.

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146 (b) The Department of Revenue shall adopt rules to
147 establish procedures for claiming the tax exemptions and for the
148 developing and issuing of temporary sales tax exemption
149 certificates upon notification of application approval by the
150 Department of Veterans' Affairs.

151 (c) For veteran-owned and military spouse-owned businesses
152 relocating to this state, the tax exemptions apply for 5 years
153 after the date on which the business is established.

154 (6) ADMINISTRATION.—The Department of Veterans' Affairs,
155 the Department of Revenue, and the Department of State shall:

156 (a) Develop rules for administering this section.

157 (b) Ensure interagency cooperation for seamless
158 implementation of this section.

159 (7) REGISTRATION.—

160 (a) The Department of Veterans' Affairs shall establish
161 registration requirements for applicants seeking the fee waivers
162 and tax exemptions provided by this section. The registration
163 requirements must include:

164 1. For veterans, a DD Form 214 or another acceptable form
165 of identification as specified by the United States Department
166 of Veterans' Affairs, provided that the applicant served in and
167 was honorably discharged from a branch of the United States
168 Armed Forces.

169 2. For military spouses, verification of a military spouse
170 relationship and that the other spouse is on active duty or a
171 veteran.

172 3. Verification that the applicant's business meets the
173 requirements provided in subparagraphs (3)(c)1.-6.

174 4. The date on which the applicant began doing business in

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175 this state.

176 5. For applicants seeking the 1-year sales tax exemption
177 provided under subparagraph (5)(a)2. must include a copy of
178 their Florida corporate income or franchise tax return in order
179 to verify the net income reported for the 5th or 7th taxable
180 year, as applicable.

181 (b) Applicants meeting the registration requirements of
182 paragraph (a) shall receive a veteran-owned or military spouse-
183 owned business verification letter from the Department of
184 Veterans' Affairs.

185 1. The verification letter may be presented to the
186 Department of State to claim the fee waiver provided in
187 subsection (4).

188 2. The verification letter must be attached to the Florida
189 corporate income or franchise tax return to claim the increased
190 temporary exemption provided by subparagraph (5)(a)1.

191 3. The verification letter may be presented to the
192 Department of Revenue to receive a temporary tax exemption
193 certificate pursuant to subparagraph (5)(a)2.

194 (c) The Department of Veterans' Affairs shall notify the
195 Department of Revenue and the Department of State upon
196 successful verification of the veteran-owned or military spouse-
197 owned business.

198 (8) ANNUAL REPORTING.—Beginning December 31, 2026, and each
199 December 31 thereafter, the Department of Veterans' Affairs
200 shall submit a report to the Governor, the President of the
201 Senate, and the Speaker of the House of Representatives which
202 includes:

203 (a) The number of veteran-owned and military spouse-owned

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businesses that were established in this state.

(b) Economic metrics, such as job creation and tax revenue impact from veteran-owned and military spouse-owned businesses.

(c) Demographic data for the participating veterans and military spouses.

Section 3. This act shall take effect July 1, 2026.