

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1672

INTRODUCER: Senator McClain

SUBJECT: Tax Credits for Contributions to Assist Homebuyers

DATE: January 27, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Favorable
2.			FT	
3.			AP	

I. Summary:

SB 1672 creates the Homebuyer Workforce Tax Credit, authorizing certain employers to claim a 100 percent tax credit for specified monetary contributions either paid to eligible employees to help with a first-time Florida home purchase, or paid to a governmental down payment assistance program, including the Florida Hometown Hero Program.

The bill:

- Allows an eligible taxpayer to receive at least \$1,000 for a down payment or closing costs and limits the employee tax credit to \$5,000 per employee.
- Allows the credit to be applied against corporate income taxes under ch. 220, F.S. or the insurance premium tax under s. 624.509, F.S.
- Caps the total authorized credits at \$5 million per fiscal year for FY 2026-2027, 2027-2028, and 2028-2029, awarded on a first-come, first-served basis by the Department of Revenue.
- Allows a 3-year carryforward of unused credits and prohibits the transfer, sale, or assignment to another entity.
- Repeals the program on January 1, 2030, unless reenacted.

The Revenue Estimating Conference has not estimated the bill. The bill may reduce state revenue by creating a new tax credit against corporate income tax or insurance premium tax.

The bill provides an effective date of July 1, 2026.

II. Present Situation:

Currently, there is no tax credit program for an employer who makes a monetary contribution to an employee to pay for expenses related to the purchase of a primary residence.

Florida Sales and Use Tax

Florida levies a 6 percent tax on the sale or rental of most items of tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services, as well as a 2 percent tax on commercial leases.⁴ Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁵

The governing body of a county and school boards are authorized to levy local discretionary sales surtaxes in addition to the state sales tax.⁶ A surtax applies to “all transactions...subject to the state sales tax...on sales, uses, services, rentals, admissions, and other transactions...”⁷ In counties with discretionary sales surtaxes, the combined county and school board rates vary from 0.5 to 2 percent.⁸ Two counties, Citrus and Collier, have no discretionary sales surtax levies.

Total collections from the sales and use tax in state fiscal year 2024-2025 equaled \$41.1 billion; of which, the General Revenue Fund received \$36.9 billion.⁹

Florida Corporate Income Tax

The state of Florida imposes a 5.5 percent tax on the taxable income of certain corporations and financial institutions conducting business in the state.¹⁰ Corporate income tax is remitted to the DOR and distributed to the General Revenue Fund. Net collections of corporate income tax in state fiscal year 2024-2025 were determined to be \$5.5 billion.¹¹

Credits against corporate income tax or franchise tax are applied in a statutorily prescribed order.¹²

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ Section 212.031, F.S.

⁵ Section 212.07(2), F.S.

⁶ Section 212.055, F.S.

⁷ Section 212.054(2)(a), F.S.

⁸ Florida Department of Revenue, *Discretionary Sales Surtax Information for Calendar Year 2026*, available at https://floridarevenue.com/Pages/forms_index.aspx#discretionary, see DR-15DSS New for 2026 (last visited Jan. 27, 2026).

⁹ Florida Office of Economic & Demographic Research, *Florida Revenue Estimating Conference, Long-Term Revenue Analysis*, p. 85, (Oct. 2025) available at https://edr.state.fl.us/Content/conferences/longtermrevenue/2025longtermrevenueanalysis_revised.pdf (last visited Jan 27, 2026).

¹⁰ Sections 220.11(2), F.S. and 220.63(2), F.S.

¹¹ Florida Office of Economic & Demographic Research, *General Revenue Conesus Estimating Conference, Comparison Report*, Workpapers, p. 20 (Jan. 23, 2026), available at <https://edr.state.fl.us/content/conferences/generalrevenue/grpackage.pdf> (last visited Jan. 27, 2026).

¹² See s. 220.20, F.S.

Florida Insurance Premium Tax

Florida imposes a 1.75 percent tax on most Florida insurance premiums.¹³ Insurance premium taxes are paid by insurance companies under ch. 624, F.S., and are remitted to the DOR. These revenues are distributed to the General Revenue Fund with additional distributions to the Insurance Regulatory Trust Fund, the Police & Firefighters Premium Tax Trust Fund, and the Emergency Management Preparedness & Assistance Trust Fund. Net collections of insurance premium tax in state fiscal year 2024-2025 were \$1.5 billion with distributions to the General Revenue Fund of \$1.1 billion.¹⁴

Credits against insurance premium tax are applied in a statutorily prescribed order.¹⁵

The Florida Department of Revenue

The DOR administers three main programs: the Child Support Program, the General Tax Administration Program, and the Property Tax Oversight Program. The DOR collects more than \$40 billion a year in taxes and fees annually and processes more than 9 million in tax filings annually.¹⁶

Florida Hometown Hero Program

The Florida Hometown Hero Program¹⁷ is a homeownership assistance program administered by the Florida Housing Finance Corporation (FHFC).¹⁸ Under the program, eligible first time homebuyers have access to zero-interest loans to reduce the amount of down payment and closing costs by a minimum of \$10,000 and up to 5 percent of the first mortgage loan, not exceeding \$35,000. Loans must be repaid when the property is sold, refinanced, rented, or transferred unless otherwise approved by the FHFC. Repayments for loans made under this program must be retained within the program to make additional loans.

III. Effect of Proposed Changes:

The bill creates s. 212.1836, F.S., Homebuyer Workforce Tax Credit, which provides a tax credit against corporate income taxes and insurance premium taxes for taxpayers who make contributions to an employee to pay for certain expenses related to a home purchase or make contributions to a government program, including the Florida Hometown Hero program. To be eligible, a taxpayer must have operated in Florida for at least three consecutive years.

¹³ Section 624.509, F.S.

¹⁴ Florida Office of Economic & Demographic Research, *General Revenue Conesus Estimating Conference, Comparison Report*, Workpapers, p. 25 (Jan. 23, 2026), available at <https://edr.state.fl.us/content/conferences/generalrevenue/grpackage.pdf> (last visited Jan. 27, 2026).

¹⁵ See s. 624.509, F.S.

¹⁶ Florida Department of Revenue, *Quick Facts about the Florida Department of Revenue*, available at https://floridarevenue.com/opengovt/Pages/quick_facts.aspx (last visited Jan. 27, 2026).

¹⁷ See s. 420.5096, F.S.

¹⁸ The Florida Housing Finance Corporation (FHFC) is a public-private entity created by the Legislature in 1997 to assist in providing a range of affordable housing opportunities for Floridians. The FHFC administers federal and state resources to finance the development and preservation of affordable rental housing and assist homebuyers with financing and down payment assistance. Section 420.504, F.S.

Eligible taxpayers may receive a credit of 100 percent of a monetary contribution of at least \$1,000 made to an employee for a down payment or closing costs for the purchase of a permanent residence. The employee must have established permanent residency in Florida and not previously owned a home in Florida. The credit cannot exceed \$5,000 of contributions made to a single employee.

Eligible taxpayers may also receive a tax credit for 100 percent of a contribution made to a government program offering down payment assistance to residents of Florida.

The taxpayer may submit an application to the DOR for the tax credits, and the DOR must approve them on a first-come, first-served basis.

The tax cap amount is limited to \$5 million for each state fiscal year 2026-2027, 2027-2028, and 2028-2029. Credits not fully used in the specified taxable year due to insufficient tax liability on the part of the taxpayer may be carried forward for up to 3 taxable years. The taxpayer is prohibited from conveying, transferring, or assigning an approved tax credit or carrying forward a tax credit to another entity.

The DOR is authorized to adopt rules to administer the tax credit, including establishing application forms, procedures governing the approval and carryforward of tax credits, and procedures to be followed by taxpayers when claiming approved tax credits on their returns.

The bill provides that this section will be repealed on January 1, 2030, unless saved from repeal by the Legislature.

The bill provides an effective date of July 1, 2026.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs the passage of laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Article VII, s. 18(b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates

requirements do not apply to laws having an insignificant impact,¹⁹ which is \$2.4 million or less for Fiscal Year 2026-2027.²⁰

The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities. Therefore, the bill may not be subject to Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Article VII, s. 19 of the Florida Constitution requires legislation pass each chamber by a 2/3 vote and be contained in a separate bill with no other subject if the legislation imposes, authorizes an imposition, increases, or authorizes an increase in a state tax or fee or if it decreases or eliminates a state tax or fee exemption or credit.

The bill does not affect the imposition or increasing of a state tax or fee nor decreases or eliminates a state tax or fee exemption or credit. Thus, the constitutional requirements may not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not estimated the bill. The bill may reduce state revenue by creating a new tax credit against corporate income tax or insurance premium tax.

¹⁹ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See FLA. SENATE COMM. ON COMTY. AFFAIRS, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 27, 2026).

²⁰ Based on the Demographic Estimating Conference's estimated population adopted on June 30, 2025, available at <https://edr.state.fl.us/Content/conferences/population/archives/250630demographic.pdf> (last visited Jan. 27, 2026).

B. Private Sector Impact:

Employers who make qualifying contributions may reduce their state tax liability and provide additional resources to employees for home-purchase-related costs.

C. Government Sector Impact:

The bill may have an indeterminate fiscal impact on the DOR, which will have to establish new application forms, procedures governing the approval and carryforward of tax credits, and procedures for taxpayers when claiming approved tax credits on their returns.

VI. Technical Deficiencies:

Line 48 of the bill contains a scrivener's error: the word "assistant" should say "assistance."

VII. Related Issues:

Line 50 of the bill states that "a taxpayer may submit an application to the department" for a tax credit provided in the bill. It is unclear if a taxpayer may obtain or claim a credit without submitting an application to the DOR.

The bill creates s. 212.1836, F.S., within ch. 212, F.S., relating to the sales and use tax. However, the bill creates credits against corporate income tax in ch. 220, F.S., and insurance premium tax in s. 624.509, F.S.

It is unclear whether the employer contribution must be made during the taxpayer's taxable year and whether the employee's qualifying home purchase must be made during the taxable year.

It is unclear if the Florida Hometown Hero program accepts contributions.

The bill does not define what constitutes "permanent residency," which may make it difficult for employers to determine which employees are eligible.

VIII. Statutes Affected:

This bill creates section 212.1836 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
