

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 311](#)

TITLE: Tax Credits for Contributions to Assist Homebuyers

SPONSOR(S): Edmonds

Committee References

COMPANION BILL: [SB 1672](#) (McClain)

LINKED BILLS: None

RELATED BILLS: None

[Ways & Means](#)

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SUMMARY

Effect of the Bill:

The bill creates a new Homebuyer Workforce Tax Credit which can be applied against Corporate Income Tax or Insurance Premium Tax liability for contributions made by taxpayers to their own employees with income below specified limits to assist with the purchase of a homestead property. The tax credit program is capped at \$5 million per year for three years. The bill provides additional administrative guidance, provides permanent and emergency rulemaking authority to the Department of Revenue, and makes conforming changes.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not estimated the impact of the bill on state or local government revenues. Staff estimates that the bill will have a negative impact on General Revenue of \$5 million for each of fiscal years 2026-27, 2027-28, and 2028-29.

[JUMP TO](#)

[SUMMARY](#)

[ANALYSIS](#)

[RELEVANT INFORMATION](#)

[BILL HISTORY](#)

ANALYSIS

EFFECT OF THE BILL:

The bill creates the Homebuyer Workforce Tax Credit in new statute section 420.952, F.S. The credit can be applied against [Corporate Income Tax](#) or [Insurance Premium Tax](#) liability for contributions made by taxpayers to their own employees with income below specified limits¹ to assist with the purchase of a primary residence used as a [homestead property](#) (up to \$5,000 per employee). (Section [3](#))

The tax credit program is capped at \$5 million per year for three years, and is to be approved on a first-come, first-served basis. Each taxpayer is limited to a credit of \$500,000 per taxable year. Any credit that is unused by the taxpayer may be carried forward up to five years. The program will be administered by the Florida Department of Revenue, which must begin accepting applications October 1, 2026.

The bill provides additional administrative guidance and makes conforming changes to implement the credit program as follows:

- The bill creates a new part VIII of Chapter 420, F.S., to contain provisions related to Housing Tax Credits. (Section [1](#))
- The bill creates new section 420.951, F.S., to provide definitions related to Housing Tax Credits. (Section [2](#))

¹ The bill specifies that eligible employees must be “[moderate-income](#)” as defined in defined in [s. 420.602\(9\), F.S.](#)

STORAGE NAME: h0311.WMC

DATE: 2/10/2026

- The bill creates new section 220.1856, F.S., to provide for a credit against corporate income tax for contributions made pursuant to new section 420.952, F.S. This section also clarifies application of the credit for taxpayers filing a consolidated return and for taxpayers filing extended returns under existing law. (Section [4](#))
- The bill provides statutory guidance for the order in which the new credit should be taken against corporate income tax. (Section [5](#))
- The bill requires the amount of the credit be added to the taxpayer's taxable income, to ensure the taxpayer does not receive both a deduction and a credit for the same contribution. (Section [6](#))
- The bill creates new section 624.51065, F.S., to provide for a credit against insurance premium taxes for contributions made pursuant to new section 420.952, F.S. (Section [7](#))
- The bill provides emergency rulemaking authority to the Department of Revenue to implement the program. (Section [8](#))

The bill is effective July 1, 2026, other than the emergency rulemaking provision which is effective upon becoming a law.

RULEMAKING:

The bill provides both permanent and emergency rulemaking authority to the Department of Revenue to implement the provisions of the credit program. The emergency rulemaking authority expires July 1, 2029.

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 Revenue Estimating Conference has not estimated the impact of the bill on state or local government revenues. Staff estimates that the bill will have a negative impact on General Revenue of \$5 million for each of fiscal years 2026-27, 2027-28, and 2028-29.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Corporate Income Tax](#)

Florida levies a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.² 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.³ 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.

² Section [220.11\(2\), F.S.](#)

³ Section [220.12, F.S.](#)

Insurance Premium Taxes

Florida imposes a 1.75 percent tax on most Florida insurance premiums, a 1 percent tax on annuity premiums, and a 1.6 percent tax on self-insurers.⁴ In addition, some insurers pay a retaliatory tax to the extent the insurer's state of domicile would impose a greater tax burden than Florida imposes.

Insurance premium taxes are paid by insurance companies under ch. 624, F.S., and are remitted to the Department of Revenue. 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.

Moderate Income

Florida statutes lay out separate income thresholds for different levels of affordable housing.⁵ These thresholds are all based on the "adjusted gross income" of a household, which includes all wages, assets, contributions, and gifts earned by or made to a household, adjusted for family size, less deductions allowable under the definition of "adjusted gross income"⁶ for federal tax purposes.⁷

Moderate income⁸ means that the total annual household income does not exceed 120 percent of the median annual adjusted gross income for households within the greatest of the state, the metropolitan area where the household resides, or, if not within a metropolitan area, then within the county in which the person or family resides.

Homestead Property

Homestead property is real estate (real property) for which a person, on January 1, has the legal or beneficial title and who in good faith makes the property his or her permanent residence (or the permanent residence of another legally or naturally dependent on him or her).⁹ The property may be owned jointly, as tenancy by the entireties, or otherwise in common with others, and can be apportioned among such shared owners.¹⁰ Only one homestead exemption is allowed to any one person or on any one dwelling house.¹¹ Individual condominium owners, however, can each qualify for a separate homestead designation.¹²

Homestead properties may qualify for a number of benefits related to ad valorem (property) taxes, including an exemption on the first \$25,000 of assessed value of the property that is applicable to all ad valorem tax levies, including levies by school districts.¹³ An additional \$25,000 exemption applies to the assessed value of homestead property between \$50,000 and \$75,000.¹⁴ This exemption is adjusted annually for inflation¹⁵ and does not apply to ad valorem taxes levied by school districts.¹⁶

⁴ Section [624.509\(1\), F.S.](#), and [s. 624.4621\(7\), F.S.](#)

⁵ Section [420.0004\(3\), F.S.](#)

⁶ 26 U.S.C. s. 62

⁷ Section [420.004\(2\), F.S.](#)

⁸ Section [420.004\(12\), F.S.](#)

⁹ FLA. CONST. art. VII, s. 6(a) and [s. 196.031\(1\)\(a\), F.S.](#)

¹⁰ [S. 196.031\(1\)\(a\), F.S.](#)

¹¹ *Id.*

¹² *Id.*

¹³ FLA. CONST. art. VII, s. 6(a) and [s. 196.031, F.S.](#)

¹⁴ [S. 196.031\(1\)\(b\), F.S.](#)

¹⁵ FLA. CONST. art VII, s. 6(a)(3) and [s. 196.031\(1\)\(b\), F.S.](#) In 2026, the adjusted value of this exemption is \$26,411. See https://floridarevenue.com/property/Documents/cpi_homestead_exemption.pdf (last visited 1/16/2026).

¹⁶ FLA. CONST. art. VII, s. 6(a)(1)b. and [s. 196.031\(1\)\(b\), F.S.](#)

Homestead properties also benefit from a provision in the Florida Constitution that limits the annual increase in the assessed value of the property to the lower of three percent or the percent change in the Consumer Price Index for the preceding calendar year.¹⁷.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	18 Y, 0 N, As CS	2/10/2026	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:		<ul style="list-style-type: none"> • Moved language creating the credit from Chapter 212, F.S. (Sales and Use Tax) to Chapters 420 (Housing), 220 (Corporate Income Tax) and 624 (Insurance), F.S., to align with provisions of the program. • Limited the program to contributions made to a taxpayer's own employees who meet the definition of a moderate-income person and who establish a homestead in Florida. • Created a per-taxpayer credit limit of \$500,000 per year. • Made technical and conforming changes to ensure the proper operation of the proposed tax credit. 		

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

¹⁷ FLA. CONST. art. VII, s. 4(d)(1) and [s. 193.155, F.S.](#)