

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [CS/HB 665](#)

TITLE: Sales Tax Exemption for Disabled Veterans

SPONSOR(S): Daniels and Michael

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Ways & Means](#)

19 Y, 0 N, As CS

SUMMARY

Effect of the Bill:

The bill creates a new sales tax exemption for sales of new motor vehicles to disabled veterans with a service-connected disability rating of 100 percent, effective July 1, 2026. The bill requires the disabled veteran to provide evidence of qualification and the Department of Revenue to issue a consumer's certificate of exemption for the purchase.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not yet estimated the impact of this bill on state and local government revenues. Staff estimates that this bill will have a recurring impact of -\$17.2 million on General Revenue and -\$2.5 million on local government revenues beginning in Fiscal Year 2026-27.

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ANALYSIS

EFFECT OF THE BILL:

Effective July 1, 2026, the bill provides an exemption from [sales tax](#) for sales of new motor vehicles for [100 percent disabled veterans](#). A disabled veteran must have a [license](#) issued by the [Department of Veteran's Affairs](#) confirming their 100 percent, service-connected permanently and totally disabled status in order to qualify for the exemption. The Department of Revenue shall issue a [consumer's certificate](#) for the purchase of a new motor vehicle to any veteran who holds such a license issued by the Department of Veteran's Affairs. (Section [1](#))

The bill provides emergency rulemaking authority to the Department of Revenue to implement the sales tax exemption. (Section [2](#))

This bill takes effect upon becoming law, except as otherwise provided. (Section [3](#))

RULEMAKING:

The Department of Revenue has existing rulemaking authority to implement the provisions of Chapter 212, F.S. The bill also provides emergency rulemaking authority to implement the new exemption specifically. The emergency rulemaking authority expires June 30, 2028.

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.

STORAGE NAME: h0665.WMC

DATE: 2/10/2026

FISCAL OR ECONOMIC IMPACT:**STATE GOVERNMENT:**

The Revenue Estimating Conference has not yet estimated the impact of this bill. Staff estimates that this bill will have a recurring impact of -\$17.2 million on General Revenue beginning in Fiscal Year 2026-27.

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not yet estimated the impact of this bill. Staff estimates that this bill will have a recurring impact of -\$2.5 million on local government revenues beginning in Fiscal Year 2026-27.

RELEVANT INFORMATION**SUBJECT OVERVIEW:****[Sales Tax](#)**

Florida's sales and use tax is a six percent levy¹ on retail sales of a wide array of tangible personal property, admissions, and transient lodgings, unless expressly exempted. 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.

In addition to the state sales tax, counties have been granted limited authority to levy a discretionary sales surtax for specific purposes on all transactions occurring in the county subject to the state sales tax in ch. 212, F.S., and on communications services as defined in ch. 202, F.S.² A discretionary sales surtax is based on the rate in the county where the taxable goods or services are delivered into or sold. The surtax does not apply to the sales price above \$5,000 on any item of tangible personal property.

[Florida Department of Veterans' Affairs](#)

FDVA operates a network of nine state veterans' homes and provides statewide outreach to connect veterans and their spouses with services, benefits, and support.³ 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.⁴

The FDVA annually produces the Florida Veterans' Benefits Guide, to connect veterans and their families with earned federal and state benefits, services, and support. The guide provides a comprehensive listing of services and benefits for veterans in the state.⁵

¹ Section [212.05, F.S.](#)

² The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in [s. 212.055, F.S.](#) General limitations, administration, and collection procedures are set forth in [s. 212.054, F.S.](#)

³ Florida Department of Veterans' Affairs, [Florida Department of Veterans' Affairs – Our Vision and Mission](#) (last visited Feb. 6, 2026).

⁴ Florida Department of Veterans' Affairs, [Florida Veterans' Benefits Guide](#) (last visited Feb. 6, 2026)

⁵ *Id.*

[Veteran's License](#)

Pursuant to section [295.17\(1\)\(a\), F.S.](#), the Department of Veterans' Affairs may issue an identification card to any veteran who is a permanent resident of the state and who has been adjudged by the United States Department of Veterans Affairs or its predecessor to have a 100-percent, service-connected permanent and total disability rating for compensation, or who has been determined to have a service-connected total and permanent disability rating of 100 percent and is in receipt of disability retirement pay from any branch of the United States Armed Services, upon the written request of such veteran.

[100 Percent Disabled Veterans](#)

The VA's disability rating system is meant to measure how much a veteran's service-connected conditions typically reduce earning capacity in civilian work.⁶ Ratings are based on thorough, accurate medical exams that clearly describe the condition and how it limits everyday activities for that veteran.⁷ A rating specialist must review the veteran's full medical history and reconcile different exam reports so the final rating reflects the veteran's current level of disability.⁸

Decision-makers also have a duty to carefully evaluate all evidence under VA policies to reach fair and legally sound outcomes. Although the rating schedule focuses on average economic/industrial impairment (not how well a particular individual manages despite the condition), the VA must still consider unusual physical or mental effects, how specific job demands interact with the disability, limitations that make it harder for someone to overcome the work handicap, and the combined impact of multiple disabilities.⁹

"Total disability" (or 100 percent disabled) exists when an impairment makes it impossible for the average person to maintain substantially gainful employment.¹⁰ "Permanent total disability" exists when that total impairment is expected to continue for life.¹¹ Certain conditions are automatically treated as permanent and total, such as permanent loss of use of both hands, both feet, one hand and one foot, loss of sight in both eyes, or becoming permanently helpless or bedridden; other body-system-specific schedules also provide total ratings.¹²

[Consumer's Certificate](#)

Authorized under section [212.08\(6\)\(c\), F.S.](#), the Department of Revenue shall adopt a certificate of entitlement to exemption that is used to qualify the sales and use tax exemption for the purchases outlined within section [212.08, F.S.](#) In order to claim a certificate, the consumer must file an *Application for a Consumer's Certificate or Exemption* form with the Department and get approved.¹³

⁶ [38 C.F.C. § 4.1 \(2026\)](#).

⁷ *Id.*

⁸ [38 C.F.C. § 4.2 \(2026\)](#).

⁹ [38 C.F.C. § 4.15 \(2026\)](#).

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ Florida Department of Revenue, [Application for a Consumer's Certificate of Exemption Instructions](#) (last visited Feb. 6, 2026).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	19 Y, 0 N, As CS	2/10/2026	Aldridge	Kurtz

THE CHANGES ADOPTED BY THE COMMITTEE:

- Limits the exemption to certain new motor vehicles that are purchased by and titled in the name of a veteran with a service-connected permanent and total disability.
- Requires the veteran present an ID card from the Department of Veterans' Affairs certifying them as 100 percent disabled, or a certificate of exemption from the Department of Revenue, when the purchase is made.
- Provides emergency rulemaking authority to the Department to administer the exemption.
- Revises the effective date of the bill (upon becoming a law), but retains effective date of the exemption (July 1, 2026).

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