

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 7033](#) [PCB WMC 25-02](#)

TITLE: Taxation

SPONSOR(S): Duggan

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Orig. Comm.: Ways & Means](#)

16 Y, 1 N



[Budget](#)

20 Y, 8 N, As CS

SUMMARY

Effect of the Bill:

- For sales tax, the bill reduces Florida's state sales tax rates by 0.75%, exempts sales of bullion, clarifies that aviation fuel continues to be exempt from sales tax, makes administrative updates to provisions for freight forwarding agents, and authorizes local discretionary sales surtaxes to be reduced or repealed by the levying body beginning four years after adoption. The bill also changes Tourist Development Taxes from limited use to general revenue, which must be used to offset county property taxes beginning in 2026.
- For property tax, the bill updates administrative provisions related to the value adjustment board process, authorizes certain leased land to qualify for an ad valorem exemption and expands that exemption to include improvements, removes the ability of local governments to opt out of an affordable housing exemption, and creates a new affordable housing exemption for certain multifamily housing projects located on state land. The bill also exempts flight simulators leased from a governmental unit from the tax on tangible personal property, modifies how RV parks are treated for special assessments, and allows municipalities to exempt preschools from special assessments.
- The bill also repeals the aviation fuel tax, delays the effective date of natural gas fuel taxes, extends a local rate freeze for communications services taxes (CST), requires local governments to prioritize use of CST revenues for permit processing, adopts the current Internal Revenue Code and exempts charitable trusts for corporate income tax purposes, reduces the pari-mutuel tax on cardrooms, extends the operation of a local economic incentive, and redirects a distribution related to the horse industry.

Fiscal or Economic Impact:

The bill has a total recurring revenue impact of -\$5,486.3 million. See Revenue Impact Chart at the end of analysis.

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ANALYSIS

EFFECT OF THE BILL:

Sales Tax

Sales Tax Rates

The bill reduces the general rate of Florida's [sales tax](#), which has been 6% [since 1988](#), by 0.75%. (Sections [22](#), [31](#), [32](#), [33](#), [34](#), [35](#), [36](#), [37](#), [38](#), [41](#), [43](#))

In addition, the bill reduces all other sales tax rates by the same 0.75%:

- The rate on [commercial rent](#) from 2.0% to 1.25%,
- The rate on [electricity](#) from 4.35% to 3.6%,
- The rate on sales of new [mobile homes](#) from 3.0% to 2.25%, and
- The rate on [coin-operated amusement machines](#) from 4.0% to 3.25%.

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DATE: 4/22/2025

The bill also provides technical changes to implement these rate changes, including updates to divisors used for sales from amusement machines and vending machines (Section [34](#) and [37](#)).

Sales Tax Exemptions

Sales of [Bullion](#) (Section [43](#))

The bill provides a complete exemption from sales tax on the sale of gold, silver, and platinum bullion. Currently, pursuant to [s. 212.08\(7\)\(ww\), F.S.](#), sales of gold, silver, and platinum bullion in a single transaction are exempt from sales tax if the sales price is greater than \$500. The bill removes the \$500 threshold, thus making all sales of gold, silver, and platinum exempt from sales tax.

[Freight Forwarding Agents](#) (Section [40](#))

The bill clarifies that a forwarding agent already registered as a sales tax dealer with the department is not required to resubmit a dealer application when applying for or renewing a forwarding agent certificate (Florida Certificate of Forwarding Agent Address).

The bill requires a forwarding agent to surrender its certificate within 30 days when:

- the forwarding agent ceases to do business,
- the forwarding agent changes addresses,
- the forwarding agent's principal business activity changes to something other than facilitating the international export of property owned by other persons, or
- the certified address ceases to be used for export under this paragraph.

The bill also makes technical changes to revise terminology of property shipped to a "certified address" rather than the "designated forwarding agent's address."

The bill defines an "[electronic database](#)" to mean the database created and maintained by the department pursuant to [s. 202.22\(2\), F.S.](#) The department must report the state sales tax rate and discretionary sales surtax rate in its electronic database for each certified address with a special five-digit zip code¹ provided by the United States Postal Service as zero. However, this does not apply to a certified address with a special five-digit zip code provided by the United States Postal Service if that address includes a suite address or secondary address.

Finally, the bill prohibits a dealer, with the exception of a forwarding agent required to remit tax pursuant to [s. 212.06\(5\)\(b\)\(7\), F.S.](#), from collecting sales tax on tangible personal property shipped to a certified address listed on the Department's website. The bill removes liability for dealers who rely on a certificate from a forwarding agent, the list of forwarding agents on the Department's website, or uses the Department's electronic database to verify that a purchase is exempt from tax.

These changes are effective January 1, 2026.

Discretionary Sales Surtaxes

The bill provides express authority for a levying local government (the Board of County Commissioners or the School Board) of any discretionary sales surtax to reduce or repeal a surtax with a two-thirds vote of the board, beginning four years after a surtax is levied. The reduced rate can be any lower rate otherwise allowable under the applicable statutory provision. A reduced or repealed rate is effective on the January 1 following the board's vote, or on any subsequent January 1 as provided by the board. (Section [39](#))

¹ The United States Postal Service provides unique zip codes to companies, governmental agencies or entities with sufficient mail volume. See: [What is a ZIP Code™ or ZIP+4® Status / Type?](#) (last visited April 13, 2025).

Tourist Development Taxes (Section [3](#))

The bill provides that beginning July 1, 2025, all TDT revenues are available to counties for any public purpose, rather than being limited to the current authorized uses of TDT. Counties are responsible for the continued payment of any debt service or existing contracts related to TDT levies. (Section [3](#))

Beginning in 2026, a credit against county ad valorem taxes is to be applied to property tax bills that, in total, equals the prior year's TDT collections less any revenue needed for debt service or to continue any contract in effect on July 1, 2025. The credit on bills may either be proportionate shares of the TDT collections for all county taxpayers, or can be allocated among certain categories of taxpayers according to an ordinance adopted by the Board of County Commissioners. (Section [3](#))

All [tourist development councils](#) are dissolved December 31, 2025. (Section [4](#))

Tourism promotion agencies may continue if affirmatively extended by local governing boards. (Section [4](#))

Ad Valorem Taxes (Property Taxes)

Value Adjustment Boards

Evidence Exchange (Section [10](#))

The bill requires the property appraiser to provide a value adjustment board (VAB) petitioner with the evidence intended to be presented at a VAB hearing at least 15 days prior to the hearing.

The bill removes the current law requirement that a petitioner must provide a written request to receive the property appraiser's evidence.

Filing Fees (Section [11](#))

The bill increases the maximum filing fee that may be required to file a petition with the VAB from \$15 per parcel to \$50 per parcel.

Electronic Hearings (Section [12](#))

The bill amends [s. 194.032, F.S.](#) to allow any party to a VAB [hearing](#) to appear telephonically, by video conference, or by other electronic means. The bill also requires the VAB to provide sufficient equipment to allow clear communication and to create any necessary [hearing records](#).

Affordable Housing

The bill revises two provisions created by the [Live Local Act](#) in 2023: the Nonprofit Land Lease Exemption in [s. 196.1978\(1\)\(b\), F.S.](#), and the Missing Middle Exemption in [s. 196.1978\(3\), F.S.](#).

Nonprofit Land Lease Exemption (Sections [15](#), [17](#))

Unless otherwise exempted, all property in Florida is subject to ad valorem taxes imposed by local governments in accordance with the Florida Constitution and Florida Statutes. The bill modifies an [exemption for charitable use](#) of property for affordable housing (the "nonprofit land lease exemption") in [s. 196.1978\(1\)\(b\), F.S.](#), which provides an exemption for land owned by nonprofit corporations which:

- Are 501(C)(3) charities,
- Own land that they lease to natural persons or families for 99 years, to
- Provide affordable housing to persons meeting [income limitations](#) set in statute for extremely-low income, very-low-income, low income, or moderate-income persons.

The exemption will now also apply to a nonprofit, 501(c)(3) charity that leases land used for affordable housing from a [housing finance authority](#), and then subleases such property for 99 years for the purpose of providing affordable housing to persons within the restricted income limitations. Allowing the exemption for a charity that

does not own the property outright, but instead leases it from a housing finance authority, may expand the pool of charities that can use this exemption.

The exemption will now also apply to improvements used to provide affordable housing on the land, rather than only the land itself.

This provision first applies to the 2026 tax roll.

[Missing Middle Exemption](#) (Sections [15](#), [16](#), [18](#))

The bill repeals the [opt out provision](#) for local governments from the affordable housing “missing middle” exemption from ad valorem taxes found in [s. 196.1978\(3\), F.S.](#), thereby making the Live Local Act’s missing middle exemption mandatory for all jurisdictions. The bill specifies that any election to opt out made by a local government on or before July 1, 2025, will continue for the original [term of the election](#) but may not be renewed.

New Exemption for Multifamily Projects on State-Owned Land (Sections [19](#), [20](#))

The bill creates a new property tax exemption for affordable housing projects located on [land owned by the state of Florida](#) where the improvements are owned and operated by private parties, regardless of whether such private parties are non-profit or for-profit. The project must provide at least 70 units of affordable housing for persons or families that meet the affordable housing income limitations in [s. 420.004, F.S.](#), and the property must be subject to a lease or restrictive use agreement recorded in the official records of the county requiring the property to be used for affordable housing for at least 60 years. The exemption requires an annual application and does not apply to any project receiving an [existing affordable housing exemption](#) under [s. 196.1978, F.S.](#) The new exemption is effective for the 2026 tax roll.

Tangible Personal Property Tax

Leased Flight Simulation Training Devices (Sections [13](#), [14](#))

The bill provides that any Federal Aviation Administration [qualified flight simulation training device](#), and the equipment and software necessary to operate it, is considered owned by a governmental unit if the device reverts to the governmental unit upon the expiration of the lease and the governing body of the governmental unit has approved the lease in writing. This governmental ownership allows the property to qualify for an [ad valorem exemption for governmental entities](#) so there is no [tangible personal property tax](#) levied on the device.

This provision first applies to the 2026 tax roll.

Special Assessments

The bill adds public and private preschools to the list of [educational institutions](#) that municipalities may exempt from special assessments. The bill defines a preschool as a child care facility licensed under [s. 402.305, F.S.](#), serving children under five years of age. (Section [8](#))

The bill also changes the way special assessments may be levied on [recreational vehicle parks](#). Specifically, the bill revises [special assessments on recreational vehicle parks](#) by specifying that the assessment cannot be levied against the portion of a space or campsite that exceeds the square footage of a recreational vehicle-type unit. The levying local government is also required to consider the occupancy rates of recreational vehicle parks when levying special assessments on such parks. (Sections [5](#), [7](#), [9](#))

Fuel Taxes

Aviation Fuel Tax

The bill repeals the motor fuel tax on aviation fuel, including aviation gasoline, aviation turbine fuels, and kerosene. It does this by repealing Part III of Chapter 206, Florida Statutes, comprised of the following statutes: [s. 206.9815](#),

[F.S., s. 206.9825, F.S., s. 206.9826, F.S., s. 206.9835, F.S., s. 206.9837, F.S., s. 206.9845, F.S., s. 206.9855, F.S., s. 206.9865, F.S.](#) and [s. 206.9875, F.S.](#) (Section [23](#), [24](#))

The bill creates [s. 206.9925\(1\), F.S.](#), to define aviation fuel to mean fuel for use in aircraft, and includes aviation gasoline and aviation turbine fuels and kerosene. (Section [26](#))

The bill creates [s. 212.08\(4\)\(a\)5., F.S.](#), to clarify that aviation fuel continues to be exempt from sales and use tax. (Section [42](#))

These changes take effect January 1, 2026.

Natural Gas Fuel Tax (Section [28](#))

The bill provides for a delay of the imposition of the [scheduled tax](#) on [natural gas fuel](#) that would have begun at a reduced [rate](#) January 1, 2026, and have been fully implemented on January 1, 2027. The bill changes the effective date of the imposition of these taxes to January 1, 2030, and removes the reduced first year rate.

These changes take effect upon becoming law.

Communications Services Taxes

The bill extends the [current freeze](#) on rate increases for [local communications services taxes](#) (CST) from January 1, 2026, to January 1, 2031. (Section [21](#))

The bill also requires local governments to prioritize the use of local CST revenue for the timely review, processing, and approval of permit applications for the use of rights of way by providers, similar to the use of the [permit fees](#) replaced by CST. (Section [21](#))

Corporate Income Tax

Adoption of the Internal Revenue Code (Sections [48](#), [49](#))

The bill updates the Florida corporate income tax code by adopting the [Internal Revenue Code](#) (IRC) as amended and in effect on January 1, 2025. This section of the bill is effective upon becoming law and applies retroactively to January 1, 2025.

Charitable Trusts (Sections [50](#), [51](#))

The bill excludes [charitable trusts](#) from the definition of corporation. As a result, charitable trusts will not be [taxpayers](#) subject to Florida Corporate Income Tax on their [unrelated business taxable income](#) beginning with taxable years beginning on or after January 1, 2026.

Pari-Mutuel Cardroom Taxes (Section [58](#))

The bill reduces the pari-mutuel [cardroom tax](#) rate on the monthly gross receipts of [cardroom operators](#) from 10% to 8%.

Local Incentives (Section [59](#))

The bill preserves enterprise zone boundaries in existence before December 31, 2015, for the purpose of allowing local governments to administer [local incentive programs](#). Specifically, the program allows for local incentive

program benefits to continue through December 31, 2035, for multi-phase projects that vested on or before December 31, 2021.

Multi-Tax Credits

For the [Strong Families Tax Credit](#), the bill amends [s. 402.62, F.S.](#) to require a copy of the eligible charitable organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form ([Form 990](#)), if filed. (Section [56](#))

Distributions (Section [57](#))

The bill redirects a \$5 million [distribution](#) made out of the Florida Agricultural Promotional Campaign Trust Fund for the [promotion of the Florida Horse Industry](#). Instead of going to the Florida Thoroughbred Breeders' Association, Inc. (FTBA), that money will be distributed between Tampa Bay Downs, Inc. (\$1 Million) and Gulfstream Park Racing Association, Inc. (\$4 million). The bill also makes conforming statutory changes to remove references to the FTBA.

The bill also makes conforming changes where necessary. (Multiple Sections)

Except as otherwise provided, the act is effective July 1, 2025. (Section [62](#))

RULEMAKING:

The Department of Revenue has general rulemaking authority for the taxes it administers, pursuant to section [213.06, F.S.](#) The bill provides emergency rulemaking authority to the Department of Revenue to implement changes to affordable housing property tax provisions.

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:

Staff estimates the total recurring state impact of the bill in Fiscal Year 2025-26 to be -\$4,925.6 million, of which -\$4,898.2 million is on General Revenue and -\$27.4 million is on state trust funds. See the chart at the end of the analysis for further details.

LOCAL GOVERNMENT:

Staff estimates the total recurring local impact of the bill in Fiscal Year 2025-26 to be -\$560.7 million. See the chart at the end of the analysis for further details.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Sales Tax](#)

Florida's sales and use tax is a 6% levy on retail sales of a wide array of tangible personal property, admissions, transient lodgings, and commercial real estate rentals,² 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.

Sales tax represents the majority of Florida's General Revenue (projected 73.9% for FY 2024-25)³ 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% going to the General Revenue Fund, 10.3% going to local governments,⁴ and the remainder being distributed to specified trust funds or sports facilities. For FY 2025-26, the Revenue Estimating Conference estimates that sales tax collections under chapter 212, F.S., will result in more than \$41 billion of total revenue, with distributions to the General Revenue Fund of roughly \$37.7 billion.⁵

[History of Florida's Sales Tax](#)

Until 1949, Florida had no sales tax, and instead relied on a combination of motor fuel taxes, alcoholic beverage taxes, cigarette taxes, insurance premium taxes, gross receipts taxes, documentary stamp taxes, pari-mutuel taxes, and license fees to fund necessary state operations and services.⁶

In a special (then called "extraordinary") session from September 7-24, 1949, the Florida Legislature adopted a 3% tax on the privilege of engaging in the business of renting certain real property, selling admissions to certain places of amusement, and selling tangible personal property, in the "Florida Revenue Act of 1949."⁷ The initial tax was effective November 1, 1949,⁸ and the adopting act exempted certain necessities like groceries;⁹ soap, soap powder, and detergents;¹⁰ inexpensive clothing;¹¹ prescription medications and common household remedies; as well as items like school books and lunches; newspapers; electricity; motor vehicles; and sales to or by the government.¹²

In 1957, the exemption for inexpensive clothing and several other exemptions were removed, and a 1% sales tax on motor vehicles was adopted.¹³

In 1968, the Legislature increased the sales tax rate from 3% to 4% on most goods, increased the rate on motor vehicles from 1% to 3%, and imposed a 4% tax on the sale of electricity and the rental of commercial offices and buildings, parking and docks, and certain other items.¹⁴ These changes were effective April 1, 1968. In 1971, the Legislature began taxing motor vehicles at the statewide 4% rate.¹⁵

In 1982, the Legislature increased the general sales tax rate from 4% to 5%, with half of the increase (the "local government half-cent sales tax") pledged to cities and counties to help with property tax relief.¹⁶

² Commercial real estate rentals are subject to a 2.0% sales tax pursuant to [section 212.031\(1\)\(c\), F.S.](#)

³ The Office of Economic and Demographic Research (EDR), [2024 Florida Tax Handbook](#), p. 16 (last visited March 29, 2025).

⁴ 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.](#)

⁵ Revenue Estimating Conference on [General Revenue](#), held March 14, 2025 (last visited March 30, 2025).

⁶ C. H. Donovan, Florida's State and Local Tax Structure, [13 Fla. L. Rev. 518](#) (1960) (last visited March 29, 2025).

⁷ [Chapter 26319, L.O.F.](#) (1949)

⁸ [Section 212.23, F.S. \(1949\)](#)

⁹ [Section 212.08\(1\), F.S. \(1949\)](#)

¹⁰ [Section 212.08\(11\), F.S. \(1949\)](#)

¹¹ [Section 212.08\(4\), F.S. \(1949\)](#); exempted articles of clothing selling for \$10 or less

¹² [Section 212.08\(3\), F.S. \(1949\)](#)

¹³ [Chapter 57-398, L.O.F.](#)

¹⁴ [Chapter 68-27, L.O.F.](#)

¹⁵ [Chapter 71-360, L.O.F.](#)

¹⁶ [Chapter 82-154, L.O.F.](#)

In 1986, to increase revenue available for the state budget,¹⁷ the Legislature broadened the sales and use tax to include the sale of services.¹⁸ The taxing of services, beginning July 1, 1987, was a substantial and immediately unpopular change.¹⁹ After a series of special sessions on the issue, the Legislature repealed the services tax and instead increased the general sales tax rate from 5% to 6%, effective January 1, 1988.²⁰

In addition to these major rate changes, some items were subject to tax at different rates over the years. For example, the purchase of farm equipment used for plowing, planting, cultivating or harvesting crops, adopted at 2% in 1963,²¹ and increased to 3% in 1969,²² continued at 3% until it was decreased to 2.5% in 2000,²³ and made fully exempt in 2005.²⁴

[Commercial \(Business\) Rent](#)

Tax is due on the rental of all real property pursuant to [s. 212.031, F.S.](#), other than agricultural, residential, or certain other property specified in [s. 212.031\(1\)\(a\), F.S.](#) This tax is commonly referred to as the Business Rent Tax, and applies to all consideration due and payable by the tenant for the right to use or occupy real property.²⁵ The rate applicable to these charges is based on the time that the tenant uses, occupies, or is entitled to use or occupy the real property, regardless of when the rental payments are made.²⁶

Charges for the rental of real property by businesses were first made subject to the sales tax in 1968, at the rate of 4%.²⁷ When the general sales tax rate increased to 5%²⁸ and then 6%,²⁹ charges for commercial rent increased to those same rates.

In 2017, the Legislature reduced the tax on charges for commercial rent from 6% to 5.8%, effective January 1, 2018.³⁰ The following year, the rate was again reduced, from 5.8% to 5.7%, effective January 1, 2019.³¹ In 2019, the rate was reduced to 5.5%, effective January 1, 2020.³² In 2023, the Legislature further reduced the rate from 5.5% to 4.5%, effective December 1, 2023.³³

Pursuant to section 14 of [Chapter 2021-2, L.O.F.](#), on the first day of the second month following the notification that a specified trust fund had reached a specific balance, the rate was scheduled to be further reduced to 2.0%. The trust fund reached the specified balance in spring 2024, and the rate reduction to the current 2.0% rate was effective June 1, 2024.³⁴

[Electricity](#)

¹⁷ Florida Department of Revenue, "[The Impact of Ch. 86-166, Laws of Florida, 1986](#)" (1986). Walter Hellerstein Papers. 4., p. 2 (last visited March 29, 2025).

¹⁸ [Chapter 86-166, L.O.F.](#)

¹⁹ See, e.g., Vicki L. Weber, Florida's Fleeting Sales Tax on Services, [15 Fla. St. U. L. Rev. 613](#) (1987) (last visited March 29, 2025), and "[Tax Repeal on Services In Florida Widely Felt](#)," New York Times, Dec. 25. 1987, (last visited March 29, 2025).

²⁰ [Chapter 87-548, L.O.F.](#)

²¹ [Chapter 63-526, L.O.F.](#)

²² [Chapter 69-222, L.O.F.](#)

²³ [Chapter 2000-276, L.O.F.](#)

²⁴ [Chapter 2005-197, L.O.F.](#)

²⁵ Section [212.031\(1\)\(c\), F.S.](#)

²⁶ Section [212.031\(1\)\(e\), F.S.](#)

²⁷ [Chapter 68-27, L.O.F.](#)

²⁸ [Chapter 82-154, L.O.F.](#)

²⁹ [Chapter 87-548, L.O.F.](#)

³⁰ Section 21, [Chapter 2017-36, L.O.F.](#)

³¹ Section 33, [Chapter 2018-118, L.O.F.](#)

³² Section 5, [Chapter 2019-42, L.O.F.](#)

³³ Section 22, [Chapter 2023-157, L.O.F.](#)

³⁴ Florida Department of Revenue, [Taxpayer Information Publication No. 24A01-02](#), Issued April 8, 2024. (last visited March 30, 2025).

Charges for electricity were first made subject to the sales tax in 1968, at the rate of 4%.³⁵ When the general sales tax rate increased to 5%³⁶ and then 6%,³⁷ the rates for the sale of electrical power increased to those same rates. In 1992, the rate was further increased to 7% on electrical power.³⁸

In 2014, the sales tax rate was reduced to 4.35% on electrical energy.³⁹

Since March 1, 1972,⁴⁰ only non-residential accounts have been subject to sales tax on electrical energy.⁴¹

[Coin-Operated Amusement Machines](#)

In 1991, the Legislature defined “coin-operated amusement machine” as “any machine operated by coin, slug, token, coupon, or similar device for the purposes of entertainment or amusement. The term includes, but is not limited to, coin-operated pinball machines, music machines, juke boxes, mechanical games, video games, arcade games, billiard tables, moving picture viewers, shooting galleries, and all other similar amusement devices.”⁴² They imposed a tax on such machines at the rate of 6%.⁴³ The tax was lowered to 4% effective January 1, 1995.⁴⁴

[Mobile Homes](#)

Mobile Homes have been subject to sales tax since 1985.⁴⁵ In 2022, the legislature reduced the tax on the sale of a new mobile home; defined as “a mobile home the equitable or legal title to which has never been transferred by a manufacturer, distributor, importer, or dealer to an ultimate purchaser;” from 6% to 3%.⁴⁶

[Bullion](#)

Bullion refers to precious metals (such as gold, silver, platinum, or palladium) that are refined to at least 99.5% purity and are often molded into bars, ingots, or coins. Its value is from the containment of precious metals and not its value as exchange in currency.

Under current law, the sale of gold, silver, and platinum bullion with a single transaction price of more than \$500 is exempt from sales tax.⁴⁷

[Freight Forwarding Agents](#)

A forwarding agent is a person or business whose principal business activity is facilitating for compensation the export of property owned by other persons.⁴⁸ Forwarding agents or freight forwarders organize, assemble and consolidate international shipments and assume responsibility for the transportation of those shipments.⁴⁹

³⁵ [Chapter 68-27, L.O.F.](#)

³⁶ [Chapter 82-154, L.O.F.](#)

³⁷ [Chapter 87-548, L.O.F.](#)

³⁸ [Chapter 92-319, L.O.F.](#)

³⁹ Section 2, [Chapter 2014-38, L.O.F.](#) In the same bill, a gross receipts tax of 2.6% on the same sales was levied, in essence shifting this share of the proceeds of this tax to the Public Education Capital Outlay Fund.

⁴⁰ [Chapter 71-985, L.O.F.](#)

⁴¹ Section [212.08\(7\)\(j\), F.S.](#)

⁴² [Section 170, Chapter 91-112, L.O.F.](#)

⁴³ Id.

⁴⁴ [Chapter 96-397, L.O.F.](#)

⁴⁵ [Chapter 85-348, L.O.F.](#)

⁴⁶ [Chapter 2022-97, L.O.F.](#)

⁴⁷ Section [212.08\(7\)\(ww\), F.S.](#)

⁴⁸ See International Federation of Freight Forwarders Associations [About Freight Forwarding](#) (last visited April 7, 2025)

⁴⁹ See Federal Motor Carrier Safety Administration [What are the definitions for motor carrier, broker and freight forwarder authorities?](#) (last visited April 7, 2025)

The law defines a forwarding agent as a dealer,⁵⁰ which makes a forwarding agent subject to the provisions governing all sales tax dealers in the state. In general, a person desiring to engage in or conduct business in this state must register as a dealer⁵¹ and must file with the department an application for a certificate of registration as a sales tax dealer.⁵²

Forwarding agents involved in international export may apply to the Department of Revenue for a Florida Certificate of Forwarding Agent Address. The application must include the forwarding agent's location and export activities, including a list of designated addresses used for exportation outside of the United States. Each certificate expires five years after issue and requires the forwarding agent to update the application if changes occur regarding the information in the application.⁵³

Tangible personal property delivered by a dealer to a licensed exporter or common carrier for export outside Florida is not subject to sales tax.⁵⁴ A dealer who sells tangible personal property tax-exempt for international export may either accept a valid copy of the Florida Certificate of Forwarding Agent Address in good faith or rely on the Department's list of designated forwarding agent addresses and ship the items to the address listed on the certificate. The dealer would then not be responsible for any tax owed on those sales during the certificate's valid period.

As of April 7, 2025, there were 484 unique combinations of certified forwarding agent names and addresses on the list.⁵⁵

[Electronic Database](#)

Section [202.22, F.S.](#), section [175.1015, F.S.](#), and section [185.085, F.S.](#), require the Department of Revenue to maintain an electronic database, referred to as Florida's Address/Jurisdiction Database. This electronic database allows users to find tax rates by county or for any Florida address.⁵⁶ While primarily required by statute for use in determining the applicable communications services tax rate under chapter 202 and applicable local insurance premium taxes under chapters 175 and 185, F.S., the database also provides sales tax information, including applicable discretionary sales surtaxes under [s. 212.055, F.S.](#), and tourist development tax special district information.⁵⁷

[Local Discretionary Sales Surtaxes](#)

Counties have been granted limited authority to levy discretionary sales surtaxes 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.⁵⁸ A discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold, or delivered into, and is levied in addition to the state sales and use tax of 6%. The surtax does not apply to the sales price above \$5,000 on any item of tangible personal property.

Approved purposes for levying a surtax include:

- Operating a regional transportation system in a charter county;⁵⁹

⁵⁰ Section [212.06, F.S.](#)

⁵¹ Section [212.18\(3\), F.S.](#)

⁵² See Florida Dep't of Revenue, General Tax, Florida Sales and Use Tax, [Registration and Accounts](#) (last visited April 7, 2025).

⁵³ Section [212.06\(5\), F.S.](#)

⁵⁴ Section [212.06\(5\)\(a\)1, F.S.](#)

⁵⁵ See Florida Dep't of Revenue's [List of Approved Forwarding Agents](#) (last visited April 7, 2025).

⁵⁶ See <https://pointmatch.floridarevenue.com/Default.aspx> (last visited April 12, 2025).

⁵⁷ See [User's Guide for the Address/Jurisdiction Database](#), p. 3 (last visited April 12, 2025).

⁵⁸ 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.](#)

⁵⁹ [S. 212.055\(1\), F.S.](#)

- Financing local government infrastructure projects;⁶⁰
- Providing additional revenue for specified small counties;⁶¹
- Providing medical care for indigent persons;⁶²
- Funding trauma centers;⁶³
- Operating, maintaining, and administering a county public general hospital;⁶⁴
- Constructing and renovating schools;⁶⁵
- Providing emergency fire rescue services and facilities;⁶⁶ and
- Funding pension liability shortfalls.⁶⁷

Current rates range from 0.5% to 2.0% in each of the 65 counties currently levying one or more surtaxes.⁶⁸ Many of the taxes have restrictions on what combination of taxes can be levied by a single county at one time.⁶⁹

Fiscal Year 2023-24 levies for these taxes were as follows:

Surtax	Statute	Counties Levying/ Can Levy ⁷⁰	2023-24 Statewide Revenue ⁷¹
Charter County Regional Transportation	s. 212.055(1), F.S.	3/23	\$1.07 Billion
Local Gov't Infrastructure	s. 212.055(2), F.S.	26/67	\$2.32 Billion
Small County	s. 212.055(3), F.S.	30/31	\$211 Million
Indigent Care (divided by population)	s. 212.055(4)(a), F.S. and 212.055(7), F.S.	1/8 (greater than 800k); 5/58 (fewer than 800k)	\$195 Million; \$88 Million
Trauma Center	s. 212.055(4)(b), F.S.	0/58	\$195 Million
County General Hospital	s. 212.055(5), F.S.	1/1	\$403 Million
School Construction	s. 212.055(6), F.S.	30/67	\$1.56 Billion
Emergency Fire Rescue Services	s. 212.055(8), F.S.	1/65	\$311, 042
Pension Liability	s. 212.055(9), F.S.	0/26 ⁷²	\$-

Most local discretionary sales surtaxes may only be approved by referendum, while some may be approved by a vote of the county commission.⁷³ Some of the surtaxes have set periods of time that they can be enacted for before requiring reenactment, others have no such specified time limit. The Charter County and Regional Transportation System Surtax in [s. 212.055\(1\), F.S.](#), for example, is currently limited to 30 years if adopted on or after July 1, 2020.

⁶⁰ S. [212.055\(2\), F.S.](#)

⁶¹ [s. 212.055\(3\), F.S.](#) Note that the small county surtax may be levied by extraordinary vote of the county governing board if the proceeds are to be expended only for operating purposes.

⁶² S. [212.055\(4\)\(a\), F.S.](#) (for counties with more than 800,000 residents); [s. 212.055\(7\), F.S.](#) (for counties with less than 800,000 residents).

⁶³ S. [212.055\(4\)\(b\), F.S.](#)

⁶⁴ S. [212.055\(5\), F.S.](#)

⁶⁵ S. [212.055\(6\), F.S.](#)

⁶⁶ S. [212.055\(8\), F.S.](#)

⁶⁷ S. [212.055\(9\), F.S.](#)

⁶⁸ Dept. of Revenue, Discretionary Sales Surtax Information for Calendar Year 2025, Form DR-15DSS, available at https://floridarevenue.com/Forms_library/current/dr15dss.pdf (last visited March 9, 2025).

⁶⁹ See, e.g., ss. [212.055\(4\)\(a\)6., F.S.](#), [212.055\(5\)\(f\), F.S.](#), and [212.055\(9\)\(g\), F.S.](#)

⁷⁰ See EDR, 2024 Local Discretionary Sales Surtax Rates in Florida's Counties, <https://edr.state.fl.us/Content/local-government/data/county-municipal/2024LDSSrates.pdf> (last visited Apr 7, 2025).

⁷¹ Revenue Estimates taken from the Legislative Office of Economic and Demographic (EDR), *2023 Local Government Financial Information Handbook*, pp. 169-199, available at <https://edr.state.fl.us/Content/local-government/reports/lgifh23.pdf> (last visited March 16, 2025).

⁷² The Pension Liability Surtax has been approved in a referendum to take effect in Duval County no later than January 1, 2031, but is not currently levied. See Duval County Ordinance 2017-257-E, available at https://library.municode.com/FL/Jacksonville/ordinances/code_of_ordinances?nodeId=826832 (last visited Mar. 24, 2025).

⁷³ See generally [s. 212.055, F.S.](#); but see [s. 212.055\(3\), F.S.](#) (small county surtax may be approved by extraordinary vote of the county commission as long as surtax revenues are not used for servicing bond indebtedness), and [s. 212.055\(5\), F.S.](#) (county public hospital surtax may be approved by extraordinary vote of the county commission).

[Tourist Development Taxes](#)

The Local Option Tourist Development Act⁷⁴ authorizes counties to levy five separate taxes on transient rental⁷⁵ transactions (tourist development taxes or TDTs) for specified purposes, all of which are generally related to the tourism industry.

Depending on a county's eligibility to levy such taxes, the maximum potential tax rate varies:

- The original TDT may be levied at the rate of 1 or 2%.⁷⁶
- An additional 1% tax may be levied by counties who have previously levied the original TDT at the 1 or 2% rate for at least three years.⁷⁷
- A high tourism impact tax may be levied at an additional 1%.⁷⁸
- A professional sports franchise facility tax may be levied up to an additional 1%.⁷⁹
- An additional professional sports franchise facility tax no greater than 1% may be imposed by a county that has already levied the professional sports franchise facility tax.⁸⁰

TDTs are levied in 62 of 67 counties with total combined rates ranging from 2% to 6%.⁸¹

Fiscal Year 2023-24 levies for these taxes were as follows:

Tax	Statute	Counties Levying/ Can Levy ⁸²	2023-24 Statewide Revenues ⁸³
Original TDT	s. 125.0104(3)(c), F.S.	62/67 (all at 2%)	\$709 Million
Additional TDT	s. 125.0104(3)(d), F.S.	56/59	\$291 Million
High Tourism Impact TDT	s. 125.0104(3)(m), F.S.	10/14	\$201 Million
Pro Sports TDT	s. 125.0104(3)(l), F.S.	46/67	\$330 Million
Additional Pro Sports TDT	s. 125.0104(3)(n), F.S.	36/65	\$252 Million

[TDT Approved Uses](#)

TDTs may be used only for purposes specified in law, and such uses depend on which of the five TDTs are being levied. All five TDTs may be used to promote and advertise tourism in the State of Florida, nationally, and internationally.⁸⁴

The Original, Additional, and High Tourism Impact TDTs may also be used for the following by all counties:

- To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more:
 - publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums.⁸⁵

⁷⁴ Section [125.0104, F.S.](#)

⁷⁵ Section [125.0104\(3\)\(a\)\(1\), F.S.](#) considers "transient rental" to be the rental or lease of any accommodation for a term of six months or less.

⁷⁶ Section [125.0104\(3\)\(c\), F.S.](#)

⁷⁷ Section [125.0104\(3\)\(d\), F.S.](#)

⁷⁸ Section [125.0104\(3\)\(m\), F.S.](#)

⁷⁹ Section [125.0104\(3\)\(l\), F.S.](#)

⁸⁰ Section [125.0104\(3\)\(n\), F.S.](#)

⁸¹ EDR, [2023 Local Government Financial Information Handbook](#), pp. 255-256 (last visited April 10, 2025).

⁸² EDR, Local Option Tourist Taxes [County Tax Rates: CY 2007-2025](#) (last visited April 10, 2025).

⁸³ EDR, [2023 Local Government Financial Information Handbook](#), p. 259 (last visited April 10, 2025).

⁸⁴ Section [125.0104\(5\)\(a\)4, F.S.](#), Section [125.0104\(3\)\(l\)4, F.S.](#), and Section [125.0104\(3\)\(n\)2, F.S.](#)

⁸⁵ Section [125.0104\(5\)\(a\)1.a., F.S.](#)

- auditoriums that are publicly owned and open to the public but operated by a 501(c)(3) organization.⁸⁶
- aquariums or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public.⁸⁷
- To promote zoological parks that are publicly owned and operated, or owned and operated by not-for-profit organizations and open to the public.⁸⁸
- To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract; including any indirect administrative costs for services performed by the county on behalf of the promotion agency.⁸⁹
- To finance beach park facilities, or beach, channel, estuary, or lagoon improvement, maintenance, renourishment, restoration, and erosion control, including construction of beach groins and shoreline protection; and to finance the enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access; as those uses relate to the physical preservation of the beach, shoreline, channel, estuary, lagoon, or inland lake or river.⁹⁰
- To secure and liquidate revenue bonds, or issue refunding bonds, for any of the purposes available above to all counties, other than tourism promotion or the funding of tourism related centers or bureaus.⁹¹

The Original, Additional, and High Tourism Impact TDTs may also be used for certain other activities by counties meeting specific requirements:

- Zoos, Fishing Piers, and Nature Centers.
A county with a population under 950,000 may use TDT revenues to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more zoological parks, fishing piers or nature centers which are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public.⁹²
- Public Safety Services.
A county adjacent to the Gulf of America or the Atlantic Ocean, other than Monroe County, which either:
 - Is a fiscally constrained county, or
 - Generates at least \$10 million in TDTs, has at least three municipalities, and has a population of less than 275,000, can:

Use up to 10% of the tax revenue received pursuant to this section to reimburse expenses incurred in providing public safety services, which are needed to address impacts related to increased tourism and visitors to an area. The Board of County Commissioners and Tourist Development Council must approve this use.⁹³

- [Capital Improvements.](#)
A county that:
 - Received at least \$10 million in TDT taxes the previous year,
 - Has 2/3rds of the governing body approve proposed use,
 - Ensures no more than 70% of the cost will be paid for with TDT revenue,
 - Spends at least 40% of all TDT revenue in the county to promote and advertise tourism, and

⁸⁶ Section [125.0104\(5\)\(a\)1.b., F.S.](#)

⁸⁷ Section [125.0104\(5\)\(a\)1.c., F.S.](#)

⁸⁸ Section [125.0104\(5\)\(a\)2., F.S.](#)

⁸⁹ Section [125.0104\(5\)\(a\)3., F.S.](#)

⁹⁰ Section [125.0104\(5\)\(a\)5., F.S.](#)

⁹¹ Section [125.0104\(5\)\(d\), F.S.](#)

⁹² Section [125.0104\(5\)\(b\), F.S.](#)

⁹³ Section [125.0104\(5\)\(c\), F.S.](#)

- Solicits an independent professional analysis that demonstrates the positive impact on tourism, may:

Acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or finance major capital improvements that have a life expectancy of 5 or more years, including, but not limited to, transportation, sanitary sewer, solid waste, drainage, potable water, and pedestrian facilities.⁹⁴

The Professional Sports and Additional Professional Sports TDTs may be used:

1. To pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a professional sports franchise facility,⁹⁵ or
2. To pay the debt service on bonds issued for the acquisition, construction, reconstruction, or renovation of a retained spring training franchise facility.⁹⁶

The Professional Sports TDT may also be used for the construction, reconstruction, renovation, operation, and maintenance of a convention center.⁹⁷

[Tourist Development Councils](#)

A Tourist Development Council (Council) is a county level advisory council appointed by the governing board of a county when the county intends to enact or renew the 1% or 2% Original Tourist Development Tax.⁹⁸ The Council must prepare a tourist development plan that estimates the revenue from the tax and allocates the funds toward specific uses.⁹⁹ The tourist development plan is prepared by the Council in anticipation of the county levying the tourist development tax.

The Board of County Commissioners (Board) must approve the plan and incorporate it into an ordinance authorizing the levy of the tourist development tax.¹⁰⁰ County electors must then approve the ordinance authorizing levy of the tax by referendum. The Council is intended to have an advisory capacity and any major amendments it makes to the tourism development plan must be approved by the Board.

Membership on a Tourist Development Council is limited to citizens of the county and consists of the following¹⁰¹:

- One member from the county board;
- Two elected municipal officials, one of whom must be from the most populous city in the county or sub-county tax district; and
- Six members who are individuals involved in the tourism industry, three or four of whom must be owners or operators of motels, hotels, RV parks, or other tourist accommodation in the county.

The statute contemplates the Council providing guidance and oversight for the original TDT, but in some cases it appears the TDC is involved in spending decisions for all five TDTs.¹⁰²

[Ad Valorem Taxes \(Property Taxes\)](#)

⁹⁴ Section [125.0104\(5\)\(a\)6, F.S.](#)

⁹⁵ Section [125.0104\(3\)\(l\)1, F.S.](#) and Section [125.0104\(3\)\(n\)1.a, F.S.](#)

⁹⁶ Section [125.0104\(3\)\(l\)1, F.S.](#) and Section [125.0104\(3\)\(n\)1.b, F.S.](#)

⁹⁷ Section [125.0104\(3\)\(l\)2, and 3, F.S.](#)

⁹⁸ Section [125.0104\(4\)\(b\), F.S.](#)

⁹⁹ Section [125.0104\(4\)\(c\), F.S.](#)

¹⁰⁰ Section [125.0104\(4\)\(d\), F.S.](#)

¹⁰¹ Section [125.0104\(4\)\(e\), F.S.](#)

¹⁰² See, e.g., the [Duval County TDC](#), which “oversees the collection and distribution of the local-option tourist development tax authorized to counties by s. 125.0104, F.S...Jacksonville currently levies a 6% tourist development tax...” the [Lee County TDC](#), where “TDC members oversee the entire tourist development tax fund...,” and [Orange County TDC](#), which “shall make recommendations to the board of county commissioners for the effective operation of the special projects or uses of the tourist development tax revenue raised by the tax hereby levied...” (all last visited April 21, 2025).

The ad valorem tax, or “property tax,” is an annual tax levied by local governments. The Florida Constitution prohibits the state from levying ad valorem taxes on real and tangible personal property,¹⁰³ and instead authorizes local governments, including counties, school districts, and municipalities to levy ad valorem taxes. Special districts may also be given this authority by law.¹⁰⁴

The property appraiser annually determines the “just value”¹⁰⁵ of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”¹⁰⁶ Tax bills are mailed in November of each year, and payment is due by March 31.¹⁰⁷ The tax is based on the taxable value of property as of January 1 of each year.¹⁰⁸

[Value Adjustment Boards](#)

Each county has a Value Adjustment Board (VAB), comprised of two members of the governing body of the county, one member of the school board, and two citizen members appointed by the governing body of the county.¹⁰⁹ The county clerk acts as the clerk of the VAB.¹¹⁰ The VAB may meet for the following enumerated reasons:¹¹¹

- Hearing petitions relating to assessments filed pursuant to [s. 194.011\(3\), F.S.](#);
- Hearing complaints relating to homestead exemptions;
- Hearing appeals from exemptions denied, or disputes arising from exemptions granted, upon the filing of exemption applications;
- Hearing appeals concerning ad valorem tax deferrals and classifications; and
- Hearing appeals from determinations that a change of ownership or control, or a qualifying improvement has occurred.

[Evidence Exchange](#)

Florida Statutes provide the evidence exchange timelines in [s. 194.011, F.S.](#)

VAB Hearing Deadlines	
25 days before hearing	VAB notifies petitioner of hearing time
15 days before hearing	Petitioner gives evidence to appraiser
7 days before hearing	Appraiser gives evidence to petitioner, if requested

A property owner has the following timeframes to file a petition with the VAB. The deadline is dependent on the reason for the appeal¹¹²:

Assessment Appeal	Within 25 days after the property appraiser mails the Notice of Proposed
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¹⁰³ Art. VII, s. 1(a), Fla. Const.

¹⁰⁴ Art. VII, s. 9., Fla. Const.

¹⁰⁵ Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. (Art. VII, s. 4, Fla. Const.). Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

¹⁰⁶ Section [192.001\(2\) and \(16\), F.S.](#)

¹⁰⁷ Sections [197.322, F.S.](#), and [197.333, F.S.](#)

¹⁰⁸ Section [192.042, F.S.](#)

¹⁰⁹ Section [194.015, F.S.](#)

¹¹⁰ *Id.*

¹¹¹ Section [194.032, F.S.](#)

¹¹² Florida Department of Revenue, [Petitions to the Value Adjustment Board](#) (last visited April 6, 2025)

	Property Taxes ¹¹³ (TRIM notice). This usually occurs mid-August.
Exemption or Classification Appeal	Within 30 days after the property appraiser mails the denial notice. The denial notices must be mailed by the property appraiser by July 1.
Tax Deferral Appeal	Within 30 days after the tax collector mails the denial notice.
Portability Appeal	Within 25 days after the property appraiser mails the TRIM notice.
Change of Ownership or Control Appeal	Within 25 days after the property appraiser mails the TRIM notice.

[Filing Fees](#)

The VAB may require a fee to file a petition with the board of up to \$15 for each separate parcel of real or tangible personal property that is covered by the petition and subject to appeal. The fee may not be required for a denial of homestead or denial of a tax deferral, provided that the denials were not due to a late-filed application.¹¹⁴ The VAB must waive the fee for a petitioner who is an eligible recipient of temporary assistance under chapter 414, F.S.¹¹⁵ These fees are intended to defray the costs incurred in connection with the VAB's administration and operation costs.¹¹⁶

[Value Adjustment Board Hearings](#)

The value adjustment board (VAB) of each county is required to meet each year to consider petitions related to assessments, exemptions, classifications, deferrals, or changes of ownership.¹¹⁷ The schedule for each board is set by the clerk of the governing body of the county, who orders appearances of those who timely file petitions for VAB review.¹¹⁸ While appearances are generally in person, existing rules for VAB proceedings anticipate some appearances may be remote,¹¹⁹ and due to the effects of COVID-19 some counties began allowing or requiring telephonic appearances.¹²⁰

[Record of VAB Proceedings](#)

Section [194.034\(1\)\(g\), F.S.](#), requires that a verbatim record of all VAB proceedings must be made.

[Affordable Housing](#)

Housing is considered affordable when it costs less than 30% of a family's gross income.¹²¹ A family paying more than 30% of its income for housing is considered "cost burdened," while those paying more than 50% are considered "extremely cost burdened." Severely cost burdened households are more likely to sacrifice other

¹¹³ Section [200.069, F.S.](#)

¹¹⁴ Section [194.013, F.S.](#)

¹¹⁵ Section [194.013\(2\), F.S.](#)

¹¹⁶ Section [194.013\(4\), F.S.](#)

¹¹⁷ Section [194.032\(1\)\(a\), F.S.](#)

¹¹⁸ Section [194.032\(2\)\(a\), F.S.](#)

¹¹⁹ Rule [12D-9.003\(5\), F.A.C.](#), defines hearing to include a hearing "regardless of whether the parties are physically present or telephonic or other electronic media is used to conduct the hearing..." and Rule [12D-9.026, F.A.C.](#), outlines procedures for conducting a hearing by electronic media.

¹²⁰ See, e.g., Miami Dade County [VAB Telephonic Hearing Procedures](#), memo dated October 5, 2021 (last visited April 11, 2025), and Orange County [2021 Value Adjustment Board Tax Cycle](#) (last visited April 11, 2025).

¹²¹ Section [420.0004\(3\), F.S.](#)

necessities such as healthy food and healthcare to pay for housing, and to experience unstable housing situations such as eviction.

[Live Local Act](#)

The Live Local Act,¹²² which became law in 2023, made a number of changes related to affordable housing in Florida. The primary tax-related changes included creating a new ad valorem exemption for land owned by a non-profit that is leased for a minimum of 99 years for affordable housing¹²³, creating a sales tax refund for certain building materials used for affordable housing¹²⁴, creating a tax credit program for certain donations to the Florida Housing Finance Corporation (FHFC) to help fund affordable housing¹²⁵, and establishing two new ad valorem tax exemptions for owners of newly constructed multifamily rental developments who use a portion of the development to provide affordable housing, one exemption required for all taxing authorities and one at the option of local governments.¹²⁶

[Nonprofit Land Lease Exemption](#)

In 2023, the Legislature amended [s. 196.1978\(1\), F.S.](#), to create an exemption in new paragraph (1)(b) for land owned entirely by a nonprofit corporation that is a 501(c)(3) charity which is leased for at least 99 years for the purpose of, and is predominantly used for, providing affordable housing for extremely-low-, very-low-, low-, or moderate-income persons or families.¹²⁷

In order to receive this exemption, the improvements on the land being used for affordable housing purposes must encompass more than half the square footage of all improvements on the land. This exemption first applied to the 2024 tax roll and is repealed on December 31, 2059.

[Ad Valorem Exemption for Literary, Scientific, Religious, or Charitable Organizations](#)

The Florida Constitution allows the Legislature to exempt from ad valorem taxation portions of property that are used predominantly for educational, literary, scientific, religious, or charitable purposes.¹²⁸ The Legislature has implemented these exemptions and set forth criteria to determine whether property is entitled to an exemption.¹²⁹

To determine whether a property's use qualifies for an education, literary, scientific, religious, or charitable exemption, the property appraiser must consider the nature and extent of the qualifying activity compared to other activities or other uses of the property.¹³⁰

Incidental use of property for an exempt purpose does not qualify the property for an exemption nor does the incidental use of the property for a non-exempt purpose impair an exemption.¹³¹

¹²² Chapter [2023-17, L.O.F.](#)

¹²³ Section [196.1978\(1\)\(b\), F.S.](#), created in Section 8 of Chapter [2023-17, L.O.F.](#)

¹²⁴ Section [212.08\(5\)\(v\), F.S.](#), created in Section 12 of Chapter [2023-17, L.O.F.](#)

¹²⁵ Section [220.1878, F.S.](#), created in Section 21 of Chapter [2023-17, L.O.F.](#)

¹²⁶ Section [196.1978\(3\), F.S.](#), created in Section 8 of Chapter [2023-17, L.O.F.](#) (Required) and Section [196.1979, F.S.](#), created in Section 9, Chapter [2023-17, L.O.F.](#) (Local Option)

¹²⁷ Section 8 of chapter [2023-17, L.O.F.](#)

¹²⁸ Art. VII, s. 3(a), Fla. Const.

¹²⁹ Section [196.196, F.S.](#)

¹³⁰ Section [196.196\(1\), F.S.](#)

¹³¹ Section [196.196\(2\), F.S.](#) See also *Underhill v. Edwards*, 400 So.2d 129, 132 (Fla. 5th DCA 1981) (The district court found that trustees of a private not-for-profit hospital were not entitled to an exemption on the new wing's first floor, which was used for a private purpose and not for a charitable purpose or other exempt purpose, despite the fact that the portion of the hospital used for a non-exempt purpose represented only a very small percentage of the otherwise exempt property) and *Central Baptist Church of Miami, Florida Incorporated v. Dade County, Florida, et. al.*, 216 So.2d 4, 6 (Fla. 1968) (Florida Supreme Court found that "limited part time rental of a portion of the church lot for commercial parking on weekday business hours is reasonably incidental to the primary use of the church property as a whole for church or religious purposes and is not a sufficiently divergent commercial use that eliminates the exemption as to the commercial parking lot portion of the property.")

Property claimed as exempt which is used for profitmaking purposes is not exempt and is subject to ad valorem taxation; however, the Legislature has allowed certain property to remain exempt even when used for profitmaking purposes when the use of the property does not require a business or occupational license and the revenue derived from the profitmaking activity is used wholly for exempt purposes, and with respect to certain affordable housing provisions.¹³²

[Income Limitations for Affordable Housing Purposes](#)

Florida statutes lay out separate income thresholds for different levels of affordable housing.¹³³ 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”¹³⁴ for federal tax purposes.¹³⁵

The most common categories used for affordable housing are:

- Extremely-low-income:¹³⁶ total annual household income does not exceed 30% of the median annual adjusted gross income for households within the state.
- Very-low-income:¹³⁷ total annual household income does not exceed 50% 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.
- Low income:¹³⁸ total annual household income does not exceed 80% 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.
- Moderate income:¹³⁹ total annual household income does not exceed 120% 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.

[Housing Finance Authorities](#)

The Florida Housing Finance Authority Act (Act)¹⁴⁰ was enacted in 1978 in response to shortages both of affordable housing and capital for investment in such housing.¹⁴¹ The Act would encourage “investment by private enterprise and (stimulate) construction and rehabilitation of housing through the use of public financing and...low cost loans...”¹⁴² in part by authorizing local governments to issue obligations the interest on which would be exempt from federal income taxation.¹⁴³ Counties are authorized to create by ordinance a “Housing Finance Authority” (HFA) to carry out the powers under the Act.¹⁴⁴

¹³² See section [196.196\(4\), F.S.](#) and section [196.1978\(3\), F.S.](#), e.g.

¹³³ Section [420.0004\(3\), F.S.](#)

¹³⁴ 26 U.S.C. s. 62

¹³⁵ Section [420.004\(2\), F.S.](#)

¹³⁶ Section [420.004\(9\), F.S.](#)

¹³⁷ Section [420.004\(17\), F.S.](#)

¹³⁸ Section [420.004\(11\), F.S.](#)

¹³⁹ Section [420.004\(12\), F.S.](#)

¹⁴⁰ Chapter 78-89, s. 1, L.O.F., codified at chapter 159, Part IV, F.S.

¹⁴¹ Section [159.602\(1\), F.S.](#)

¹⁴² Section [159.602\(2\), F.S.](#)

¹⁴³ Section [159.602\(4\), F.S.](#)

¹⁴⁴ Section [159.604\(1\), F.S.](#)

Currently, there are 24 HFAs¹⁴⁵ registered with the Special District Accountability Program¹⁴⁶ in the Department of Commerce. Each HFA is composed of a board of at least 5 members appointed by the governing body of the county to serve 4-year terms. A majority of the members must be knowledgeable in the field of labor, finance, or commerce.¹⁴⁷ In addition to the usual authority of a public body corporate and politic,¹⁴⁸ each HFA is authorized to:

- Acquire and own real and personal property under specific conditions;¹⁴⁹
- Purchase, commit to purchase, make, or otherwise transact in mortgage loans and accompanying promissory notes for the construction, purchase, reconstruction, or rehabilitation of qualified property; however, sales proceeds must be reinvested in mortgage loans;¹⁵⁰
- Issue bonds to raise capital for qualified housing and development;¹⁵¹
- Lend funds to lending institutions under terms requiring the proceeds be used for making new mortgages for housing developments qualifying under the statute as affordable housing;¹⁵²
- Make loans directly to eligible persons who otherwise cannot borrow from conventional lending services, such loans to be secured by mortgages on qualified property;¹⁵³
- Loan funds to not for profit corporations to develop affordable housing;¹⁵⁴ and
- Own, maintain, operate, control, and capitalize a savings and loan association with the limited purpose to provide low cost loans and related services for eligible persons to obtain affordable housing.¹⁵⁵

It appears at least one HFA in Florida currently supports affordable housing through long term leases to nonprofit entities that sublease affordable housing projects to low income families.¹⁵⁶

[Missing Middle Exemption](#)

The ad valorem tax exemption for owners of newly constructed multifamily rental developments who use a portion of the development to provide affordable housing is colloquially known as the “Missing Middle” exemption.¹⁵⁷ Eligible property includes units in a newly constructed multifamily development containing more than 70 units dedicated to housing natural persons or families below certain income thresholds.¹⁵⁸ However, units subject to an agreement with Florida Housing Finance Corporation are not eligible for the exemption.¹⁵⁹

“Newly constructed” is defined as an improvement substantially completed within five years before the property owner’s first application for the exemption.¹⁶⁰ The units must be occupied by such individuals or families and rent limited so as to provide affordable housing at either the 80 or 120% household adjusted gross income (low income

¹⁴⁵ The following counties have active HFAs: Alachua, Brevard, Broward, Collier, Duval (Jacksonville), Escambia, Clay, Hillsborough, Lee, Leon, Manatee, Marion, Miami-Dade, Nassau, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, St. Johns, St. Lucie, Santa Rosa, Volusia. Available at <https://specialdistrictreports.floridajobs.org/OfficialList/CustomList>; running a report for “Housing Finance” (last visited March 14, 2025).

¹⁴⁶ Florida Commerce, [Special District Accountability Program](#) (last visited March 14, 2025).

¹⁴⁷ Section [159.605\(1\), F.S.](#)

¹⁴⁸ Including the power to sue and be sued, to enter into contracts and execute instruments necessary to the exercise of its powers, to receive and deposit funds. See section [159.608, F.S.](#)

¹⁴⁹ Section [159.608\(2\), F.S.](#), which requires that “no less than 50% of the units owned by a housing finance authority shall benefit very-low-income families or low-income families.”

¹⁵⁰ Section [159.608\(3\), F.S.](#)

¹⁵¹ Section [159.608\(4\), F.S.](#)

¹⁵² Section [159.608\(5\), F.S.](#)

¹⁵³ Section [159.608\(6\), F.S.](#)

¹⁵⁴ Section [159.608\(10\)\(a\), F.S.](#)

¹⁵⁵ Section [159.608\(9\), F.S.](#)

¹⁵⁶ See, e.g. [Staff Report re: Affordable Housing development by Habitat for Humanity of Pinellas County](#), February 25, 2025, (last visited March 14, 2025), and [Meeting Minutes of Housing Finance Authority of Pinellas County](#), June 1, 2022, providing for, *inter alia*, an amendment to a ground lease from the HFA to Habitat for Humanity (last visited March 14, 2025).

¹⁵⁷ Chapter 2023-17, s. 8, L.O.F., codified as section [196.1978\(3\), F.S.](#); referred to as “Missing Middle” Property Tax Exemption in [press releases](#) from the Florida Senate in 2023.

¹⁵⁸ Section [196.1978\(3\)\(b\), F.S.](#)

¹⁵⁹ Section [196.1978\(3\)\(k\), F.S.](#)

¹⁶⁰ Section [196.1978\(3\)\(a\)2., F.S.](#)

or moderate income, respectively) threshold.¹⁶¹ Rent for such units may not exceed 90% of the fair market value of rent as determined by a rental market study.¹⁶²

Qualified property used to provide affordable housing at the moderate-income threshold receives an exemption of 75% of the assessed value of the affordable units, while such property providing affordable housing at the low-income threshold receives a complete ad valorem tax exemption for the affordable units.¹⁶³

To receive this exemption, a property owner must apply by March 1 to the property appraiser, accompanied by a certification notice from FHFC.¹⁶⁴ To receive FHFC certification, a property owner must submit a request on a form including the most recent market study, which must have been conducted by an independent certified general appraiser in the preceding three years, a list of units for which the exemption is sought, the rent amount received for each unit, and a sworn statement restricting the property for a period of not less than three years to provide affordable housing.¹⁶⁵

The certification process is administered within FHFC. FHFC is responsible for publishing the deadline for submission, reviewing each request, sending certification notices to both the successful property owner and the appropriate property appraiser, and notifying unsuccessful property owners with reasons for denial.¹⁶⁶

[Opt-Out Provision](#)

In 2024, and effective beginning with the 2025 tax roll, the Legislature adopted an “opt out” provision that allows a taxing authority to elect, upon adoption of an ordinance or resolution approved by a two-thirds vote of the governing body, to opt out of the Missing Middle exemption, if certain conditions are met.¹⁶⁷

To opt out, the taxing authority must make a finding in the ordinance or resolution that the most recently published Shimberg Center for Housing Studies Annual Report identifies that a county that is part of the jurisdiction of the taxing authority is within a metropolitan statistical area or region where the number of affordable and available units is greater than the number of renter households in the metropolitan statistical area or region for the category entitled “0-120% AMI.”¹⁶⁸

The 2024 legislation also provided a grandfathering provision for projects that were granted an exemption prior to adoption of an ordinance that opts-out of the statutory exemption.¹⁶⁹

[Term of Opt Out Election](#)

An ordinance passed by a local government to opt out of the Missing Middle ad valorem exemption can only take effect on January 1 of a year, and cannot last for more than two years.¹⁷⁰ It can be renewed.¹⁷¹

[State-Owned Land](#)

The State of Florida owns more than 3.8 million acres of land in Florida, including 500,000 acres of conservation easements.¹⁷² The property is held in trust for the people of Florida by the Board of Trustees of the Internal

¹⁶¹ Section [196.1978\(3\)\(b\)1., F.S.](#)

¹⁶² Section [196.1978\(3\)\(b\)3., F.S.](#)

¹⁶³ Section [196.1978\(3\)\(d\), F.S.](#)

¹⁶⁴ Section [196.1978\(3\)\(e\), F.S.](#)

¹⁶⁵ Section [196.1978\(3\)\(f\), F.S.](#)

¹⁶⁶ Section [196.1978\(3\)\(g\), F.S.](#)

¹⁶⁷ Section 16, [Chapter 2024-158, L.O.F.](#), codified at section [196.1978\(3\)\(o\), F.S.](#)

¹⁶⁸ Section [196.1978\(3\)\(o\)2., F.S.](#); “AMI” in this case refers to the “area median income,” as reported in the annual report produced by the Shimberg Center for Housing Studies. The most recent [Annual Report](#) was published in December 2024.

¹⁶⁹ Section [196.1978\(3\)\(o\)7., F.S.](#)

¹⁷⁰ Section [196.1978\(3\)\(o\)4., F.S.](#)

¹⁷¹ Section [196.1978\(3\)\(o\)5., F.S.](#)

¹⁷² Florida Department of Environmental Protection, [Buy Land From The State](#), (last accessed April 14, 2025).

Improvement Trust Fund and the Land Acquisition Trust Fund, which is comprised of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.¹⁷³

Land owned by the state can be used for specified long-term and short-term uses, including habitat restoration, public access and recreation, water preservation and restoration, sustainable forest management, exotic and invasive species control, capital facilities and infrastructure, cultural and historical resources, and imperiled species habitat management.¹⁷⁴

The Bureau of Public Land Administration is the program used by the Board of Trustees to administer necessary agreements, easements, leases, and similar documents related to the use of state-owned lands.¹⁷⁵

[Existing Affordable Housing Exemptions](#)

Section [196.1978, F.S.](#), provides five property tax exemptions related to affordable housing. They are:

1. [Original Affordable Housing Exemption](#)

In 1999, the Legislature authorized the original charitable use property tax exemption for property owned by a nonprofit corporation that provides affordable housing.^{176, 177} This exemption is limited to only those portions of the property that house persons or families who are within the moderate-income threshold or a lower income threshold. This provision is currently found in [s. 196.1978\(1\)\(a\), F.S.](#)

2. [Long-term, Low-income Delayed Housing Benefit](#)

In 2017, the Legislature adopted a property tax benefit for property subject to a recorded land use restriction agreement with the Florida Housing Finance Corporation where more than 70 of the units provide affordable housing at the low-income threshold or lower. The original tax discount amounted to 50% of the taxable value of eligible units and was applicable to taxes assessed after the 15th completed year of an agreement with the FHFC.¹⁷⁸ In 2021, the Legislature increased the 50% discount to a full exemption of eligible units after the 15th completed year of the agreement.¹⁷⁹ This benefit is currently found in [s. 196.1978\(2\), F.S.](#)

3. [Missing Middle Benefit](#)

In 2023, the Legislature adopted the “Missing Middle” provision. The Missing Middle provision discounts or exempts units in a multifamily project that are rented to persons moderate- or lower-income limitations, if the rent charged for the units does not exceed a specified threshold. This provision is found in [s. 196.1978\(3\), F.S.](#), and was amended in 2024 to allow certain local governments to opt out of the program if that local government has sufficient affordable housing to meet local needs, as provided in section 16 of by ch. 2024-158, L.O.F. This provision is scheduled to be repealed December 31, 2059.

The income limitations for this provision, and their related benefits, are:

- For units rented to moderate income persons, at a rental charge that complies with rent restrictions in the bill, such units are discounted 75%.
- For units rented to low, very low, or extremely low-income persons, at a rental charge that complies with rent restrictions in the bill, the unit is exempt.

4. [Nonprofit Land Lease Exemption](#)

¹⁷³ Section [253.02\(1\), F.S.](#)

¹⁷⁴ Section [253.034\(5\)\(b\), F.S.](#)

¹⁷⁵ See “[Bureau of Public Land Administration](#)” (last visited April 10, 2025).

¹⁷⁶ Section 15 of chapter [99-378, L.O.F.](#) (creating s. 196.1978, F.S, effective July 1, 1999).

¹⁷⁷ The not-for-profit corporation must qualify as charitable under s. 501(c)(3) of the Internal Revenue Code and other federal regulations. See 26 U.S.C. § 501(c)(3) (“charitable purposes” include relief of the poor, the distressed or the underprivileged, the advancement of religion, and lessening the burdens of government).

¹⁷⁸ Section [196.1978\(2\)\(a\), F.S.](#) and section 6 of ch. [2017-36, L.O.F.](#)

¹⁷⁹ Section 8 of chapter [2021-31, L.O.F.](#)

In 2023, the Legislature also created an exemption for the land owned by a nonprofit 501(c)(3) entity, that is leased for 99 years for the purpose of providing affordable housing, if more than 50% of the square footage of the property is used to provide housing to extremely-low-income, very-low-income, low-income, or moderate-income individuals or families. This provision is currently found in [s. 196.1978\(1\)\(b\), F.S.](#), and is scheduled to be repealed December 31, 2059.

5. Long-term, Low-income Immediate Housing Benefit

In 2024, the Legislature adopted an immediate exemption for property subject to a recorded land use restriction agreement with the Florida Housing Finance Corporation where more than 70 of the units provide affordable housing at the low-income threshold or lower. This is separate from the existing similar benefit in subsection (2), which generally does not apply until the 15th January after the project was placed in service. This benefit is currently found in [s. 196.1978\(4\), F.S.](#)

Tangible Personal Property Taxes

Taxation of Tangible Personal Property

Tangible personal property is singled out for special treatment in the Constitution. Motor vehicles, boats, airplanes, trailers, trailer coaches and mobile homes are excluded from ad valorem taxation.¹⁸⁰ Household goods up to \$1,000 in value are exempt.¹⁸¹ Tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, classified for tax purposes, or exempted by general law.¹⁸² Tangible personal property not specifically exempt from taxation is subject to ad valorem taxation.

Flight Simulation Training Devices

The Federal Aviation Authority (FAA) establishes standards for Qualified Flight Simulation Training Devices (FSTD) through its National Simulator Program.¹⁸³ The FAA differentiates between full flight simulators (FFS) and flight training devices (FTD).¹⁸⁴ An FSTD is defined in 14 CFR part 60¹⁸⁵ as an FFS or FTD:

- **Full Flight Simulator (FFS)**—a replica of a specific type, make, model, or series aircraft. It includes the equipment and computer programs necessary to represent aircraft operations in ground and flight conditions, a visual system providing an out-of-the-flight deck view, a system that provides cues at least equivalent to those of a three-degree-of-freedom motion system, and has the full range of capabilities of the systems installed in the device.
- **Flight Training Device (FTD)**—a replica of aircraft instruments, equipment, panels, and controls in an open flight deck area or an enclosed aircraft flight deck replica. It includes the equipment and computer programs necessary to represent aircraft (or set of aircraft) operations in ground and flight conditions having the full range of capabilities of the systems installed in the device.

Ad Valorem Exemption for Governmental Entities

Property that is government-owned and serves a governmental, municipal, or public purpose is exempt from ad valorem taxation, with certain exceptions.¹⁸⁶ Leasehold interests in property of the United States, of the state or any of its political subdivisions, or of municipalities, agencies, authorities, and other public bodies corporate of the state, are exempt from ad valorem taxation only when the lessee serves or performs a governmental, municipal, or public purpose or function, or if the lessee is an organization using the property exclusively for literary, scientific,

¹⁸⁰ Art. VII, s. 1(b), Fla. Const.

¹⁸¹ Art. VII, s. 3(b), Fla. Const.

¹⁸² Art. VII, s. 4(b), Fla. Const.

¹⁸³ FAA, [National Simulator Program \(NSP\)](#) (last visited April 12, 2025)

¹⁸⁴ FAA, [Flight Simulation Training Devices](#) (last visited April 14, 2025)

¹⁸⁵ Code of Federal Regulations, [14 CFR 60](#) (Last visited April 12, 2025)

¹⁸⁶ Section [196.199\(1\)\(a\)-\(d\), F.S.](#)

religious, or charitable purposes.¹⁸⁷ This exemption is deemed to be met if the lessee performs a function or serves a purpose which could properly be performed or served by an appropriate governmental unit or which would be a valid subject for the allocation of public funds.¹⁸⁸

Special Assessments

There are 67 county governments and over 400 municipal governments. Municipalities levy and collect special assessments to fund capital improvements and municipal services including but not limited to; fire protection, emergency medical services, garbage disposal, sewer improvement, street improvement and parking facilities. Small municipalities with a population fewer than 100 persons may use special assessments to fund special security and crime prevention services and facilities.¹⁸⁹

While similar to taxes, legally imposed special assessments are not taxes. The Florida Supreme Court explained:

Taxes and special assessments are distinguishable in that, while both are mandatory, there is no requirement that taxes provide any specific benefit to the property; instead, they may be levied throughout the particular taxing unit for the general benefit of residents and property. On the other hand, special assessments must confer a specific benefit upon the land burdened by the assessment.¹⁹⁰

Counties and municipalities utilize special assessments as a home rule revenue source to fund certain services and to construct and maintain capital facilities. Section [125.01\(1\)\(r\), F.S.](#), authorizes the levy of special assessments for county government. Chapter 170, F.S., authorizes the levy of special assessments for municipal governments. Special districts derive their authority to levy special assessments through general law or special act creating the district.¹⁹¹

Case law established two requirements for the imposition of a valid special assessment:

1. Property assessed must derive a special benefit from the improvement or service provided; and
2. The assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.¹⁹²

To determine whether a special assessment confers a special benefit on property, local governments must evaluate whether there is a “logical relationship” between the services provided and the benefit to real property.¹⁹³ Many assessed services and improvements have been upheld as providing the requisite special benefit. Such services and improvements include: garbage disposal,¹⁹⁴ fire protection,¹⁹⁵ fire and rescue services,¹⁹⁶ and stormwater management services.¹⁹⁷

Once an identified service or capital facility satisfies the special benefit test, the local government must fairly apportion the assessment among the benefited properties in a manner consistent with the logical relationship embodied in the special benefit requirement.¹⁹⁸ An apportionment is considered reasonable unless it “so

¹⁸⁷ Sections [196.199\(2\)\(a\) and \(c\) and \(4\), F.S.](#)

¹⁸⁸ Section [196.012\(6\), F.S.](#)

¹⁸⁹ Section [170.201, F.S.](#)

¹⁹⁰ *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992).

¹⁹¹ For example, section [153.73, F.S.](#), for county water and sewer districts; section [163.514, F.S.](#), for neighborhood improvement districts; section [190.021, F.S.](#), for community development districts; and section [191.009, F.S.](#), for independent special fire control districts.

¹⁹² *City of Boca Raton*, at 29.

¹⁹³ *Whisnant v. Stringfellow*, 50 So. 2d 885, 885 (Fla. 1951).

¹⁹⁴ *Harris v. Wilson*, 693 So. 2d 945 (Fla. 1997).

¹⁹⁵ *South Trail Fire Control Dist., Sarasota County v. State*, 273 So. 2d 380 (Fla. 1973).

¹⁹⁶ *Lake County v. Water Oak Mgmt Corp.*, 695 So. 2d 667 (Fla. 1997).

¹⁹⁷ *Sarasota County v. Sarasota Church of Christ*, 667 So. 2d 180 (Fla. 1995).

¹⁹⁸ *City of Boca Raton*, at 29.

transcend[s] the limits of equality and reason” that it becomes extortion and confiscation of the property assessed.¹⁹⁹ “As long as the amount of the assessment for each tract is not in excess of the proportional benefits as compared to other assessments on other tracts,” any method of apportioning the special benefits is valid and need not be mathematically precise.²⁰⁰ Courts have accepted several apportionment methods.²⁰¹

Generally, a special assessment is collected on an annual ad valorem tax bill. Under such statutory collection procedure, the special assessment is characterized as a “non-ad valorem assessment.”²⁰²

[Special Assessments on Educational Properties](#)

Municipalities may provide an exemption from special assessments for property owned or occupied by a religious institution, or a public or private elementary, middle, or high school.²⁰³ Current law does not authorize a municipality to provide such an exemption for preschools. There are nearly 12,000 licensed preschools in Florida.²⁰⁴

[Recreational Vehicle Parks](#)

The Department of Health administers and enforces, with respect to recreational vehicle parks, laws and rules relating to sanitation, control of communicable diseases, illnesses and hazards to health among humans and from animals to humans, and the general health of the people of the state.²⁰⁵

A “recreational vehicle park” is defined in [s. 513.01\(10\), F.S.](#), as:

[A] place set aside and offered by a person, for either direct or indirect remuneration of the owner, lessor, or operator of such place, for the parking, accommodation, or rental of five or more recreational vehicles or tents; and the term also includes buildings and sites set aside for group camping and similar recreational facilities. For the purposes of this chapter, the terms “campground,” “camping resort,” “RV resort,” “travel resort,” and “travel park,” or any variations of these terms, are synonymous with the term “recreational vehicle park.”

[Special Assessments on Recreational Vehicle Parks](#)

Sections 125.0168, 166.223 and [189.052, F.S.](#), provide that special assessments on recreational vehicle parks levied by counties, municipalities and special districts respectively, may not be based on the assertion that the recreational vehicle park is comprised of residential units. Instead, they must be assessed as a commercial entity in the same manner as a hotel, motel, or other similar facility.

Litigation

The proper apportionment of special assessments against recreational vehicle parks is the subject of several current circuit court lawsuits filed in Florida’s fifth judicial circuit in Sumter County.²⁰⁶

¹⁹⁹ [Atlantic Coast Line R.R. v. City of Winter Haven](#), 151 So. 321, 324 (Fla.1933).

²⁰⁰ [City of Boca Raton](#), at 31.

²⁰¹ See [Atlantic Coast Line R.R.](#), at 323 (accepting front foot rule); [Meyer v. City of Oakland Park](#), 219 So.2d 417, 419 (Fla.1969) (accepting area method); [City of Naples v. Moon](#), 269 So. 2d 355, 358 (Fla.1972) (accepting market value method).

²⁰² Section [197.3632\(1\)\(d\), F.S.](#)

²⁰³ Section [170.201\(2\), F.S.](#)

²⁰⁴ Department of Children and Families, [Child Care Provider List, 02/03/2025](#) (last visited April 6, 2025).

²⁰⁵ Section [513.012, F.S.](#)

²⁰⁶ See, [MRVZ Oak Investors 2, LLC; OLC Ventures, LLC; and Sunny Webster, LLC v. Sumter County](#) (Case No. 2024-CA-00404; [NHC-FL124, LLC; NHC-FL 123, LLC; Sun Blueberry Hills, LLC; and Sun Tranquility, LLC v. Sumter County](#) (Case No. 2024-CA-000405), and [FL RV Village Wildwood, LLC v. Sumter County](#) (Case No. 2024-CA-00407), all filed in the Circuit Court of the Fifth Judicial Circuit for Sumter County. The cases were consolidated in November 2024, but are ongoing.

Fuel Taxes

Aviation Fuel Tax

Florida law imposes an excise tax of 4.27 cents on every gallon of aviation fuel sold in the state or brought into the state for use.²⁰⁷ Aviation fuel is defined as “fuel for use in aircraft, and includes aviation gasoline and aviation turbine fuels and kerosene, as determined by the American Society for Testing Materials specifications D-910 or D-1655 or current specifications.”²⁰⁸

In 2018, the Legislature reduced the excise tax on aviation fuel from 4.27 cents per gallon to 2.85 cents per gallon for aviation fuel paid by an air carrier who conducts scheduled operations or all-cargo operations that are authorized under 14 C.F.R. parts 121, 129, or 135. The tax reduction is available only through a refund of previously paid taxes. The purchaser must pay the 4.27 cents per gallon tax at the time of purchase and request a refund of 1.42 cents per gallon. The refund provided under this section plus the refund provided under [s. 206.9855, F.S.](#), related to wages paid by air carriers to employees located or based within Florida, may not exceed 4.27 cents per gallon of aviation fuel purchased by an air carrier.

The Transportation Revenue Estimating Conference reported \$63 million in gross revenue from the aviation fuel excise tax in Fiscal Year 2023-24. After \$35.7 million in refunds were distributed and \$2.4 million in administrative fees and service charges were deducted, \$24.9 million was transferred to the State Transportation Trust Fund.²⁰⁹

The Department of Transportation’s Aviation Grant Program is mainly funded by the State Transportation Trust Fund, with contributions from the aviation industry through Florida’s aviation fuel tax. Aviation fuel tax contributes 0.9% of the fuel-related revenue deposited into the State Transportation Trust Fund. Aviation Fuel is specifically earmarked to fund airport projects. Department of Transportation Aviation Grant Allocations for FY 2025-26 are estimated to be \$243 million.²¹⁰

Natural Gas Fuel Tax

Natural Gas as Motor Fuel

There are multiple incentives provided both federally and by states to encourage the use of natural gas in vehicles.²¹¹ Natural gas is seen by some as a beneficial alternative fuel due to its wide domestic availability, well-developed distribution infrastructure, relatively low cost, and lower emissions compared to traditional fuels.²¹²

Scheduled Tax on Natural Gas Fuel

Chapter 2013-198, L.O.F., established a fuel tax rate structure for motor vehicles powered by natural gas and repealed the decal fee imposed on “alternative fuel” vehicles.²¹³ The bill also provided an exemption from the new rate structure until December 31, 2018, and exempted from the sales and use tax natural gas and natural gas fuel when placed into the fuel system of a motor vehicle.²¹⁴

²⁰⁷ Section [206.9825, F.S.](#)

²⁰⁸ Section [206.9815, F.S.](#)

²⁰⁹ EDR *Revenue Estimating Conference* – [Revenues to State Transportation Trust Fund](#), p. 6 (March 2025), (last visited March 15, 2025).

²¹⁰ Florida Department of Transportation, [Florida’s Transportation Tax Sources, A Primer](#) (2025), (last visited March 15, 2025).

²¹¹ US Department of Energy, Natural Gas [Laws and Incentives](#) (last visited April 6, 2025)

²¹² US Department of Energy, Natural Gas [Benefits and Considerations](#) (last visited April 6, 2025)

²¹³ The bill created a new Part V of Ch. 206, F.S., consisting of sections [206.9951, F.S.](#) – [206.998, F.S.](#), entitled ‘NATURAL GAS FUEL.’ It repealed various provisions, including sections [206.877, F.S.](#) and [206.89, F.S.](#); and it amended and relocated various provisions to the new Part V.

²¹⁴ See section [212.08\(4\)\(a\)2., F.S.](#)

Legislation in 2018²¹⁵ delayed the effective date for the motor fuel taxes on natural gas fuel from January 1, 2019 to January 1, 2024. The base year for the purpose of indexing the sales and SCETS tax rates on natural gas fuel was specified to be local fiscal year 2013.

In 2023, legislation²¹⁶ was passed to delay the effective date further to January 1, 2026.

In 2024, legislation²¹⁷ reduced the scheduled natural gas fuel tax rates for a one-year period beginning on January 1, 2026, to half of the rates currently scheduled to take effect on that date. Beginning on January 1, 2027, all the tax rates would revert to the scheduled rates previously established in statute.

[Natural Gas Fuel Tax Rates](#)

The current reduced rates for calendar year 2026 are as follows:

- The excise tax on each motor fuel equivalent gallon of natural gas fuel²¹⁸ will be 2 cents.
- The additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel, which is designated as the “ninth-cent fuel tax,” will be 0.5 cents.
- The additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel by each county, which is designated as the “local option fuel tax,” will be 0.5 cents.
- The additional tax on each motor fuel equivalent gallon of natural gas fuel, which is designated as the “State Comprehensive Enhanced Transportation System (SCETS) Tax,” will be 2.9 cents per gallon, as adjusted by DOR.
- The additional tax on each motor fuel equivalent gallon of natural gas fuel “for the privilege of selling natural gas fuel” will be 4.6 cents per gallon, as adjusted by DOR.

The following rates were scheduled to be imposed on natural gas fuel²¹⁹ effective January 1, 2027:²²⁰

- The excise tax on each motor fuel equivalent gallon of natural gas fuel will be 4 cents.
- An additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel, which is designated as the “ninth-cent fuel tax.
- An additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel by each county, which is designated as the “local option fuel tax.”
- The additional tax on each motor fuel equivalent gallon of natural gas fuel, which is designated as the SCETS Tax, will be 5.8 cents per gallon, as adjusted by DOR.
- The additional tax on each motor fuel equivalent gallon of natural gas fuel “for the privilege of selling natural gas fuel” will be 9.2 cents per gallon, as adjusted by DOR.

[Communications Services Tax](#)

²¹⁵ Chapter [2018-118, L.O.F.](#)

²¹⁶ Chapter [2023-157, L.O.F.](#)

²¹⁷ Chapter [2024-158, L.O.F.](#)

²¹⁸ “Motor fuel equivalent gallon” is defined as “the volume of natural gas fuel it takes to equal the energy content of 1 gallon of motor fuel” in section [206.9951\(1\), F.S.](#) The conversion rates for various types of natural gas fuels is provided in section [206.9955, F.S.](#)

²¹⁹ “Natural gas fuel” is defined as “any liquefied petroleum gas product, compressed natural gas product, or combination thereof used in a motor vehicle as defined in section [206.01\(23\), F.S.](#) This term includes, but is not limited to, all forms of fuel commonly or commercially known or sold as natural gasoline, butane gas, propane gas, or any other form of liquefied petroleum gas, compressed natural gas, or liquefied natural gas. This term does not include natural gas or liquefied petroleum placed in a separate tank of a motor vehicle for cooking, heating, water heating, or electric generation.” Section [206.9951\(2\), F.S.](#)

²²⁰ Section [206.9955, F.S.](#)

Chapter 202, F.S., is the Communications Services Tax (CST) Simplification Law. The term “communications services” means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method, regardless of the protocol used for such transmission or conveyance.²²¹

Section [202.105, F.S.](#), provides the legislative findings and intent related to enactment of the CST simplification law. The law simplified a complicated state and local tax and fee system, by restructuring separate taxes and fees into a revenue-neutral CST centrally administered by the Department of Revenue (DOR), i.e. a single tax to replace multiple taxes and fees previously imposed. Among the Legislature’s stated intentions in creating the CST was that it not reduce the authority that municipalities or counties had to raise revenue in the aggregate, as such authority existed on February 1, 1989.

The state CST rate, except for direct-to-home satellite service, is 4.92%.²²²

[Local Communications Services Taxes](#)

Local governments may also levy a local CST:

- Charter counties and municipalities may levy a local CST at a rate of up to 5.1% for municipalities and charter counties that have not chosen to levy permit fees, and at a rate of up to 4.98% for municipalities and charter counties that have chosen to levy permit fees; and
- Noncharter counties may levy a local CST at a rate of up to 1.6%.²²³

These maximum rates do not include the add-ons, pursuant to [s. 337.401, F.S.](#), of up to 0.12% for municipalities and charter counties, or up to 0.24% for noncharter counties, if those local governments have elected not to require right-of-way permit fees.²²⁴

Under [s. 202.19\(5\), F.S.](#), any discretionary sales surtax levied by a county or school board under [s. 212.055, F.S.](#), is imposed as a local CST. This surtax is added to the adopted local rate at the respective conversion rate, as determined in accordance with methodology and chart in [s. 202.20\(3\), F.S.](#)

The local discretionary CST and add-on rates, if applicable, constitute the total local adopted rate.²²⁵ The total local CST rates vary by jurisdiction.

Local CST is considered general revenue for the levying local government and can be used for any public purpose.²²⁶

[Local Communications Services Tax Rate Freeze](#)

HB 7063 (2023) revised [s. 202.19, F.S.](#), to require that any local CST rate in effect as of January 1, 2023, cannot be increased before January 1, 2026. The bill also provided that any increases to discretionary sales tax, levied pursuant to [s. 212.055, F.S.](#), may not be added to the local CST under [s. 202.19, F.S.](#), before January 1, 2026.

[Fees Replaced by CST](#)

²²¹ Section [202.11\(1\), F.S.](#) Excluded from this definition is information services; installation or maintenance of wiring or equipment on a customer’s premises; the sale or rental of tangible personal property; the sale of advertising, including, but not limited to, directory advertising; bad check charges; late payment charges; billing and collection services; and internet access service, electronic mail service, electronic bulletin board service, or similar online computer services.

²²² Section [202.12\(1\)\(a\) and \(b\), F.S.](#) For direct-to-home satellite service the rate is 9.07%.

²²³ Section [202.19, F.S.](#)

²²⁴ Section [337.401\(3\)\(c\), F.S.](#)

²²⁵ Florida Department of Revenue, *2023 Agency Legislative Bill Analysis for SB 1432*, (Mar. 14, 2023)

²²⁶ Section [202.19\(8\), F.S.](#)

The local CST includes and is in lieu of any fee or other consideration, including, but not limited to, application fees, transfer fees, renewal fees, or claims for related costs, to which the municipality or county is otherwise entitled for granting permission to dealers of communications services to use or occupy its roads or rights-of-way for the placement, construction, and maintenance of poles, wires, and other fixtures used in the provision of communications services.²²⁷ Additionally, the term “replaced revenue sources” includes permit fees relating to use of rights-of-way collected from communication services providers; however, if a municipality or charter county elects the option to charge permit fees pursuant to [s. 337.401\(3\)\(c\), F.S.](#), such fees are not be included as a replaced revenue source.²²⁸ Permit fees are generally required to be equal to the direct and actual cost of the regulatory activity of issuing and processing permits and related activities.²²⁹

Corporate Income Tax

Florida levies a 5.5% tax on the taxable income of corporations and financial institutions doing business in Florida.²³⁰ 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.²³¹ 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.

Internal Revenue Code

Florida maintains its relationship with the federal Internal Revenue Code by annually adopting the IRC as it exists on January 1.²³² By doing this, Florida adopts any changes related to determining federal taxable income that were made during the previous year. However, the Legislature may choose to not adopt or to “decouple” from particular changes made to the IRC in the prior year, and instead specify its own treatment of the issue, or allow the previous IRC treatment to continue for Florida tax purposes. Congress did not enact any significant changes to the IRC in 2024 that would impact Florida as a result of adopting the IRC as amended and in effect on January 1, 2025.

Charitable Trusts

Trusts are entities established by a settlor²³³ to hold, invest, and distribute property²³⁴ on behalf of one or more beneficiaries,²³⁵ in compliance with the terms of the trust.²³⁶ For a trust to be a charitable trust under Florida law, it must be created for a charitable purpose; for example, the relief of poverty, the advancement of the arts, or the promotion of health purposes.²³⁷

Corporate Income Taxpayers

A threshold issue for the application of Florida’s Corporate Income Tax is whether an entity is a “corporation.” Under current law, all domestic corporations, foreign corporations qualified to do business in Florida, and entities organized under chapters 605 (LLCs), 609 (common-law declarations of trust), 617 (corporations not for profit),

²²⁷ Section [202.19\(3\)\(a\), F.S.](#)

²²⁸ Section [202.20\(2\)\(b\)1.e., F.S.](#)

²²⁹ Section [337.401\(3\)\(c\), F.S.](#)

²³⁰ Section [220.11\(2\), F.S.](#)

²³¹ Section [220.12, F.S.](#)

²³² Sections [220.03\(1\)\(n\) and \(2\)\(c\), F.S.](#)

²³³ Section [736.0103\(21\), F.S.](#)

²³⁴ Section [736.0103\(18\), F.S.](#)

²³⁵ Section [736.0103\(4\), F.S.](#)

²³⁶ Section [736.0103\(24\), F.S.](#)

²³⁷ Section [736.0405, F.S.](#)

618 (agricultural cooperative marketing associations), 621 (professional service corporations), 622 foreign unincorporated associations), 623 (private school corporations), and any other entities or artificial persons doing business in the state, unless excluded by law, are corporations subject to the corporate income tax.²³⁸

Excluded entities include proprietorships, partnerships, limited liability companies that are taxed as partnerships at the federal level, state fairs, estates, testamentary trusts, and private trusts.²³⁹ Under current law, trusts other than testamentary or private trusts may be subject to corporate income tax, if they have federal income tax liabilities.

[Unrelated Business Taxable Income](#)²⁴⁰

Generally, entities that are tax-exempt at the federal level, while considered a taxpayer under state law, only need to file returns and pay corporate income tax if they have “unrelated trade or business taxable income” under s. 512 of the Internal Revenue Code.²⁴¹ This is because only unrelated trade or business income is taxable income at the federal level for nonprofit entities, and Florida’s corporate income tax uses federal taxable income as the starting point for state calculations.²⁴²

Pari-Mutuel Cardroom Taxes

[Cardroom Operators](#)

Cardroom pari-mutuel facilities within the state are allowed to operate poker cardrooms under [s. 849.086, F.S.](#) A cardroom may be operated only at the location specified on the cardroom license issued by the division and such location may only be where the permit holder is authorized to conduct pari-mutuel wagering activities subject to its pari-mutuel permit.²⁴³ Section [849.086\(2\)\(c\), F.S.](#), defines “cardroom” to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility. Games are played in a non-banking matter; the facility has no stake in the outcome.²⁴⁴

[Cardroom Taxes](#)

Section [849.086\(12\)\(a\), F.S.](#) requires each cardroom operator pay a tax to the Florida Gaming Control Commission (FGCC) of 10% of the cardroom operation’s monthly gross receipts. Additionally, an admission tax of 15% of the admission charge is imposed on each person entering the cardroom and remitted to the FGCC.²⁴⁵ The Commission deposits half of the cardroom tax to General Revenue and half to the Pari-Mutuel Wagering Trust Fund.²⁴⁶

Local Incentive Programs

The Florida Enterprise Zone Program²⁴⁷ sunset on December 31, 2015.²⁴⁸ Local governments employ various business and economic development programs. Some of these programs use Enterprise Zone boundaries to

²³⁸ Section [220.03\(1\)\(e\), F.S.](#)

²³⁹ *Id.*

²⁴⁰ [Section 512, Internal Revenue Code](#)

²⁴¹ [Rule 12C-1.022\(1\)\(e\), F.S.](#)

²⁴² Section [220.13\(2\), F.S.](#)

²⁴³ Section [849.086\(7\)\(a\), F.S.](#)

²⁴⁴ Section [849.086\(7\)\(c\), F.S.](#)

²⁴⁵ Section [849.086\(13\)\(b\), F.S.](#)

²⁴⁶ Section [849.086\(13\)\(c\), F.S.](#)

²⁴⁷ Found in sections 290.001-[290.016, F.S.](#) (2014)

²⁴⁸ Section [290.016, F.S.](#) (2014). When the Enterprise Zone Program expired, the Legislature temporarily preserved state incentives for certain businesses with incentive agreements with the state that were located within enterprise zones. See ch. [2015-221, L.O.F.](#)

determine how incentives are calculated or applied. For example, Miami-Dade County has a Targeted Jobs Incentive Fund intended to spur business activity and promote economic growth in the county. The program awards cash incentives to companies in selected industries that create above-average paying jobs (at least 10 new jobs) and make a capital investment of at least \$3 million. Businesses that expand or relocate within the boundaries of an Enterprise Zone, Targeted Urban Areas, Brownfield areas, or Community Development Block Grant eligible areas are eligible for an additional incentive amount.²⁴⁹

In 2017, the Legislature provided that enterprise zone boundaries in existence before December 31, 2015, were preserved for the purpose of allowing local governments to administer local incentive programs within these boundaries through December 31, 2020.²⁵⁰ In addition, for eligible multi-phase projects for which at least one certificate of use or occupancy was issued before December 31, 2020, (thereby vesting the project's right to the incentive), the boundaries would "continue" for the remaining project phases until completion, but no later than December 31, 2025.

In 2021, the Legislature extended the deadline for a local project to vest until December 31, 2021.²⁵¹

Multi-Tax Credits

Strong Families Tax Credit Program

The Strong Families Tax Credit Program, established in [s. 402.62, F.S.](#), was created in 2021 to provide tax credits for businesses that make monetary donations to certain eligible charitable organizations that provide services focused on child welfare and well-being. A tax credit may be used to offset the following tax liabilities:

- Severance Tax.
- Sales and Use Tax Direct Pay Permitholders.
- Corporate Income Tax.
- Beverage Tax.
- Insurance Premiums Tax.

An eligible charitable organization is an organization designated by the Department of Children and Families (DCF); eligible to receive funding from the program; and meets specific eligibility requirements provided in law.²⁵²

In part, the organization must annually submit to the Department of Children and Families:²⁵³

- An audit of the eligible charitable organization conducted by an independent certified public accountant in accordance with auditing standards generally accepted in the United States, government auditing standards, and rules adopted by the Auditor General.
- A copy of the eligible charitable organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).

Internal Revenue Service Informational Return Form 990

Tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations file Form 990 to provide the IRS with information required by federal law.²⁵⁴ Such information includes gross income, receipts, and disbursements, and other information the Secretary of the Treasury prescribes for the purpose of carrying out the internal revenue laws.²⁵⁵

²⁴⁹ See <http://www.miamidade.gov/business/targeted-jobs-incentive-fund.asp> (last visited April 10, 2025).

²⁵⁰ Section 56, Chapter [2017-36, L.O.F.](#)

²⁵¹ Section 3, Chapter [2021-179, L.O.F.](#)

²⁵² Section [402.62\(2\), F.S.](#)

²⁵³ Section [402.62\(3\), F.S.](#)

²⁵⁴ Internal Revenue Service, *About Form 990, Return of Organization Exempt from Income Tax*, available at <https://www.irs.gov/forms-pubs/about-form-990>

²⁵⁵ 26 U.S. Code s. 6033.

Exemption from the requirement to file Form 990 is provided to organizations that have gross receipts below \$200,000 or total assets of less than \$500,000 at the end of the tax year. In addition to this broad exemption from the filing requirement, the following organizations may be exempt:

- Religious organizations.
- Governmental organizations.
- Political organizations.
- Organizations with limited gross receipts.
- Organizations that file different kinds of annual information returns.²⁵⁶

Distributions

Distribution of Sales Tax

The disposition of sales and use taxes, certain communications services taxes, and certain gross receipts taxes²⁵⁷ is provided for in [s. 212.20, F.S.](#) That statute provides the reallocation of tax revenue to a series of trust funds,²⁵⁸ distributions to the General Revenue Fund,²⁵⁹ and other distributions in accordance with other sections of law (e.g., to the Revenue Sharing Trust Funds for Counties and Municipalities).²⁶⁰

Distribution for Horse Industry

In 2023, the Legislature enacted a provision to distribute \$27.5 million of General Revenue to the Florida Agricultural Promotional Campaign Trust Fund for the promotion of Florida thoroughbred breeding and racing in Florida for two years.²⁶¹

In 2024, the Legislature removed the scheduled repeal of the annual distributions, making them permanent.²⁶² Under current law, funds are to be distributed on July 1 of each year to the trust fund for specified purposes. Further distributions from the trust fund are made to the following entities:²⁶³

- \$5 million to the Florida Thoroughbred Breeders' Association, Inc.
- \$5.5 million to Tampa Bay Downs, Inc.
- \$17 million to Gulfstream Park Racing Association, Inc.

Fiscal Year 2025-26 Estimated Revenue Impacts

The Revenue Estimating Conference has not yet estimated the potential revenue impacts of many of the provisions of the bill. Those provisions are identified in the following table in the rows highlighted in blue, and include staff estimates of the revenue impacts of these provisions. The provisions for which the REC has estimated the potential revenue impacts are reflected in the non-highlighted rows.

Staff estimates the total state and local impact of the bill in FY 2025-26 is -\$5,486.3 million recurring, of which -\$4,898.2 million recurring is on General Revenue, -\$27.4 million recurring is on state trust funds, and -\$560.7 million recurring is on local government (see following table).

²⁵⁶ Internal Revenue Service, *Instructions for Form 990 Return of Organizations Exempt from Income Tax (2024)*, available at https://www.irs.gov/instructions/i990#en_US_2024_publink11283jd0e846 (last visited April 13, 2025).

²⁵⁷ Section [212.20\(6\), F.S.](#), provides distribution requirements for chapter 212, communications services tax under ss. 202.18(1)(b) and (2)(b), and gross receipts taxes under s. [203.01\(1\)\(a\)3., F.S.](#)

²⁵⁸ E.g., section [212.20\(6\)\(a\) and \(b\), F.S.](#)

²⁵⁹ E.g., section [212.20\(6\)\(c\)1., F.S.](#)

²⁶⁰ E.g., sections. [212.20\(6\)\(c\)2., \(d\)3., 4., and 6., F.S.](#)

²⁶¹ Section 39, Chapter [2023-157, L.O.F.](#)

²⁶² Chapter [2024-158, L.O.F.](#)

²⁶³ Section [571.265\(3\), F.S.](#)

Fiscal Year 2025-26 Estimated Revenue Impacts (Millions of \$)

2025-26

	General Revenue		Trust Fund		Local		Total	
	1st Year	Recur	1st Year	Recur	1st Year	Recur	1st Year	Recur
Ad Valorem: Modify Land-Lease Exemption - Add Housing Finance Authorities	-	-	-	-	(*)	(*)	(*)	(*)
Ad Valorem: Modify Land-lease Exemption - Include Improvements	-	-	-	-	-	(1.1)	-	(1.1)
Ad Valorem: New Affordable Housing Exemption - State-owned Lands	-	-	-	-	-	(2.3)	-	(2.3)
Ad Valorem: Repeal Missing Middle Exemption Opt-Out	-	-	-	-	(**)	(**)	(**)	(**)
Ad Valorem: Exemption - Leased Flight Simulators	-	-	-	-	-	(0.9)	-	(0.9)
Ad Valorem: VAB Evidence Exchange	-	-	-	-	0/(**)	(**)	0/(**)	(**)
Ad Valorem: VAB - Maximum Allowable Filing Fee from \$15 to \$50	-	-	-	-	0/**	0/**	0/**	0/**
Ad Valorem: VAB Electronic Hearings	-	-	-	-	-	(**)	-	(**)
Communications Services Tax: Extend Local Rate Freeze 5 Years	-	-	-	-	(0.3)	(1.0)	(0.3)	(1.0)
Communications Services Tax: Local CST Spending -Prioritizing Permitting Costs	-	-	-	-	-	-	-	-
Corporate Income Tax: Exempt Charitable Trusts	(1.1)	(1.1)	-	-	-	-	(1.1)	(1.1)
Corporate Income Tax: Adoption of Internal Revenue Code	-	-	-	-	-	-	-	-
Local Option Tax: Allow Local Governments to Reduce or Repeal Surtaxes	-	-	-	-	-	-	-	-
Local Taxes and Fees: Special Assessment Exemption for Preschools	-	-	-	-	(5.9)	(5.9)	(5.9)	(5.9)
Local Taxes and Fees: Special Assessments of RV Parks	-	-	-	-	(6.8)	(9.1)	(6.8)	(9.1)
Local Taxes and Fees: Local Gov't Economic Incentives - Enterprise Zone	-	-	-	-	-	-	-	-
Motor Fuel: Aviation Fuel Tax Repeal	(0.7)	(2.2)	(8.4)	(25.0)	-	-	(9.1)	(27.2)
Motor Fuel: Natural Gas Fuel Tax Delay	(*)	-	(0.1)	-	(*)	-	(0.1)	-
Multiple Taxes: Strong Families Documentation Change	-	-	-	-	-	-	-	-
Pari-mutuel Tax: Reduce Cardroom Tax by 2%	(2.5)	(2.5)	(2.1)	(2.1)	-	-	(4.6)	(4.6)
Sales Tax: Bullion Exemption	(1.6)	(1.6)	(*)	(*)	(0.5)	(0.6)	(2.1)	(2.2)
Sales Tax: Forwarding Agents	-	-	-	-	-	-	-	-
Sales Tax: Rate Reduction	(4,483.2)	(4,890.8)	(0.3)	(0.3)	(494.8)	(539.8)	(4,978.3)	(5,430.9)
Sales Tax: Redirect Distribution for Horse Breeding	-	-	-	-	-	-	-	-
Tourist Development Tax: Modify Uses; Require Property Tax Credits	-	-	-	-	-	-	-	-
FY 2025-26 Total	(4,489.1)	(4,898.2)	(10.9)	(27.4)	(508.3)	(560.7)	(5,008.3)	(5,486.3)

(*) Impact less than \$100,000; (**) Impact is indeterminate; (+/-) impact could be positive or negative.

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	CS/HB 7073	McClain		Ch. 2024-158, L.O.F.; S. 23 created a one-year phase in of natural gas fuel tax in 2026 at reduced rates; S. 37-38 adopted the Internal Revenue Code for Corporate Income Tax Purposes; Ss. 33, 50-53 made the distribution to the Horse Industry permanent
2023	CS/SB 102	Busatta	Calatayud	Ch. 2023-17, L.O.F.; Live Local Act, created new affordable housing exemptions for property tax
2023	HB 7063	McClain		Ch. 2023-157, L.O.F.; S. 17 created a three-year freeze for local CST rates; S. 19 delayed the tax on natural gas fuel until 2026; S. 28 adopted the Internal Revenue Code for Corporate Income Tax Purposes; S. 42 created a temporary distribution for the Horse Industry
2022	CS/HB 7071	Payne		S. 19, Ch. 2022-97, L.O.F.; Exempted FIFA soccer matches, Formula One Grand Prix races, and Daytona 500 races from the sales tax on admissions; S. 26-27 adopted the Internal Revenue Code for Corporate Income Tax Purposes
2021	HB 7061	Payne		Ch. 2021-31, L.O.F.; S. 18 created freight forwarding agent provisions; S. 20 extended the Data Center sales tax exemption for 5 years
2021	HB 7059	Payne		Ch. 2021-242, L.O.F.; adopted the Internal Revenue Code for Corporate Income Tax Purposes

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Orig. Comm.: Ways & Means Committee	16 Y, 1 N	4/16/2025	Aldridge	Berg
Budget Committee	20 Y, 8 N, As CS	4/22/2025	Pridgeon	Trexler

THE CHANGES ADOPTED BY THE COMMITTEE:

- Adds provisions reducing the general rate of Florida's sales tax by 0.75%.
- Removes provisions allowing Tourist Development Tax revenues to be used for beach lifeguards and public facilities.
- Adds provisions changing Tourist Development Tax revenues from limited use revenue to general revenue, which must be used to offset county property taxes beginning in 2026.
- Adds provisions dissolving all tourist development councils on December 31, 2025.
- Adds provisions allowing local governments to reduce or repeal local discretionary sales surtaxes beginning four years after adoption.
- Adds provisions providing clarity on documentation necessary for a charitable organization under the Strong Families Tax Credit Program.

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