

# Florida TaxWatch

## 2025 Legislative Session Wrap-Up

*Pre-Budget Edition*

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May 2025



**The Florida Capitol**



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## INTRODUCTION

Florida legislators get 60 days to finish their work during legislative sessions. This year, when that time was up on May 2, they had not finished the only thing they are constitutionally required to do—pass a budget. So, the session had to be extended until June 6. Legislators will return on May 12 for conference negotiations on the budget. The only legislation that can be considered is the General Appropriations Act, the budget implementing and conforming bills, and the House and Senate tax packages. One other bill is included – Senate President Albritton’s priority “Rural Renaissance” bill (SB 110). All other legislation that did not pass is dead.

There is still a lot of work to do. The two chambers’ budgets are \$4.4 billion apart and contain plenty of policy differences as well. It was difficult to begin debating the details of the budget because the gulf between their tax relief plans put a lot of uncertainty into how much money they had to spend.

Both chambers proposed record tax relief packages. The Senate believes that the House’s \$5.5 billion proposal was not responsible and would lead to budget shortfalls in the near future. They countered with a package that totals more than \$2 billion, but it would be a recurring loss to the state of \$751 million, compared to the House’s nearly \$5.0 billion recurring loss.

Late on the 60th day, just before the extended session began, Speaker Perez said they had reached a tentative agreement on tax relief. Nothing is final until a bill is passed, but if that agreement holds, real budget wrangling can begin in earnest when lawmakers return to Tallahassee.

2025 was one of the most acrimonious sessions in recent memory and the dysfunction could be a reason the Legislature passed a relatively small number of bills – 255. Passing fewer bills is not necessarily a bad thing, but with all the bickering, it did seem that there was good legislation waiting in vain for a final floor vote.

Even though the session is not officially over, Florida TaxWatch is releasing our annual Legislative Session Wrap-Up to bring you up to date on what important legislation passed and what did not. We will be back after the budget conference has finished its work with an update on the final budget and tax relief package.

## TAXATION

### HOUSE AND SENATE TAX RELIEF PROPOSALS

Both chambers proposed record tax relief packages, but they differ on how and by how much. The final package will be negotiated in the budget conference.

**House** – [HB 7033](#) would provide a permanent sales tax cut from 6.0 percent to 5.25 percent. The few sales tax rates that are currently less than 6.0 percent would also be cut by 0.75 percent, such as the Business Rent Tax (2.0% to 1.25%) and residential electricity (4.35% to 3.6%). This sales tax cut would save taxpayers \$5.4 million annually (including \$540 million in local revenue). There are many other much smaller measures in the bill. The largest is a \$27.3 million elimination of the aviation fuel tax. Most of the other provisions are less than \$5 million each. One provision in the House package has already passed in another bill (see Special Assessments below).

One potentially large tax cut in the House plan that currently does not have a fiscal estimate involves changes to tourist development taxes (TDTs). If these changes become law, beginning in FY2026-27, at least 75 percent of TDT revenue (after existing debt service and contracts) would have to be used to provide property tax relief. TDTs are worth nearly \$2 billion to counties and municipalities. **Florida TaxWatch commends the House for looking for innovative ways to provide much-needed property tax relief, but we have historically supported using TDTs for tourism promotion and our research has shown that elimination of funding for promotion will hurt tourism and therefore the economy.**

**The total tax savings in the House tax package is \$5.5 billion, \$4.9 billion in state revenue and \$561 million in local.** Almost all savings are recurring. The state general revenue impact in the upcoming budget year is \$4.9 billion.

*[For all the provisions in the House tax package, please see this summary or see the Appendix at the end of this report.](#)*

## FLORIDA TAXWATCH TAX PRIORITIES

**Senate** – The Senate President believes a revenue reduction the size of the House proposal is not responsible and would lead to future budget shortfalls. The Senate countered with a relatively more modest proposal ([SB 7034](#)), centered around a permanent sales tax exemption for clothing and shoes priced at \$75 or less, saving taxpayers almost \$900 million annually. The package also includes five sales tax holidays, a one-time free motor vehicle registration (\$790 million), and numerous other smaller tax relief and administrative measures. The Senate package totals \$2.1 billion, but it would be a recurring state revenue loss of only \$751 million, compared to the House’s nearly \$5.0 billion recurring state loss (plus \$541 million in local tax revenue).

**The total tax savings in the Senate tax package is \$2.1 billion, \$1.8 billion in state revenue and \$285 million in local.** Total recurring savings are \$947 million. The state general revenue impact in the upcoming budget year is \$979 million, plus \$591 million in trust fund revenue.

*[For all the provisions in the House tax package, please see this summary or see the Appendix at the end of this report.](#)*

Before adjourning, Speaker Perez told members a tentative agreement on tax relief had been reached. He said it would total a record \$2.8 billion, \$2.5 billion of which is recurring. It includes a permanent sales tax cut of \$1.6 billion. No other details were given.

**Business Rent Tax** - The House sales tax cut plan includes a reduction in the Business Rent Tax rate from 2.0 percent to 1.25 percent. **Eliminating this unique and anti-competitive tax is a top Florida TaxWatch priority, and our research has helped to get this tax reduced from 6.0 percent to 2.0 percent.** The Senate did not include this tax cut in its package, but the President said the Senate has offered to include a cut from 2.0 to 1.0 percent. The Speaker recently state that he “expects” the BRT will be completely eliminated in the final package. Negotiations on tax relief are far from over, but it looks like a BRT reduction or elimination will pass this year.

**Communications Services Tax (CST)** – Both the House and Senate tax packages include a five-year extension of the moratorium that prohibits local governments from increasing CST rates. The moratorium would be in effect until January 1, 2031. **Read the [recent Florida TaxWatch report](#) on why this is needed.**

**Affordable Housing Tax Credits** – A recent [Florida TaxWatch report](#) recommends creation of a state low-income housing credit and encourages the use of tax credits for adaptive reuse projects that convert properties for use as affordable and workforce housing. Bills were filed to expand the currently dormant State Housing Tax Credit Program and provide credits for adaptive reuse housing projects for historic properties, hotels, and shopping malls. These bills did not pass but other housing tax incentives are in the House tax package.

**Research and Development Tax Credit** - [SB 1244](#) would increase the cap on the annual total amount of these credits from \$9 million to \$50 million. **Florida TaxWatch has long supported increasing the cap, and there have been some increases, but they have only been temporary.** SB 1244 cleared one committee but then stalled.

## OTHER TAX LEGISLATION

### LEGISLATION THAT PASSED

Special Assessments - A bill dealing with child care and early learning provider licensing ([SB 738](#)) contains a provision that adds preschools to the list of properties that may be exempt from municipal special assessments. It is estimated that this exemption is worth \$5.9 million. This exemption is also in the House tax package, but SB 738 was approved by both chambers during session, so it will become law (absent a veto).

### LEGISLATION THAT DID NOT PASS

These tax bills all advanced but did not pass. Many other bills had provisions that are included in the House or Senate tax packages.

[HB 7029](#) aimed to regulate and **tax the retail sale of hemp consumable THC products**. The bill would have created a new excise tax of 15% on the sales price when sold at retail. The first \$6 million in revenue would be dedicated to enforcement of the state hemp program and the testing of hemp consumable THC products. The remainder would go to the General Revenue Fund. The bill made it all the way to the House Special Order Calendar, but it was not taken up.

[HB 1221/SB 1664](#) would have required any **local option sales surtax or tourist development tax (TDT)** which is subject to approval in a referendum and is in effect on June 30, 2025, to be renewed on or before January 1, 2033. The bills originally limited these taxes to eight years. HB 1221 passed the full House after an amendment to make significant changes to TDTs, including using 75 percent of TDT revenue for property tax relief. This language is also in the House tax package (HB 7033), so the TDT provisions are still alive. The Senate bill made it to the floor.

[HB 503](#) prohibited cities and counties that adopted a local business tax ordinance before July 1, 2025, from increasing or modifying the rate. Annual revenue would be limited to the amount collected in FY 2023-24 or 2024-25, whichever is greater. Excess revenue must be refunded. HB 503 made it to its last committee.

[SB 1322](#) created the “**Florida Rural Jobs Act**” to use insurance premium tax credits to incentivize investors to fund certified rural fund entities that

will make capital or equity investments or loans to businesses located in rural areas. These credits were capped at \$7.143 million annually. SB 1322 passed its first committee.

[SB 1264](#) created the **Research, Innovation, Science, and Engineering (RISE) Investment Tax Credit Program** to increase venture capital investment in Florida. SB 1264 made it to its last committee.

[SB 62/HB 143](#) established a **tax credit program for owners of resilient buildings** with specific LEED certifications. Both bills were passed by a committee.

[SB 266](#) exempted the sale, lease, or transfer of **electric vertical takeoff & landing (eVTOL) aircraft** from manufacturer to operator from the sales tax. The bill was approved by the Transportation Committee.

[SB 532](#) created a **toll exemption for veterans** who are 100 percent disabled veterans or are Purple Heart license plate holders. The bill made it to its last committee.



## PROPERTY TAXES

Early on, it appeared that the big tax issue for this session would be property taxes. The Governor, House Speaker, and Senate President had all stated that they want to lower property taxes, including the possibility of eliminating/replacing them. The Governor proposed a \$5 billion property tax rebate for homestead property owners. Many bills and proposed constitutional amendments dealing with property taxes were filed. As the session progressed, the discussion on tax relief shifted to the sales tax. But big changes to Florida's property tax system may be coming.

### SELECT COMMITTEE WILL EXPLORE PROPERTY TAX RELIEF OVER THE SUMMER

Early in the last scheduled week of session, Speaker Perez appointed a select committee to study property taxes over the summer and develop proposals for major property tax relief. He has directed the committee to draft one or more proposed constitutional amendments for consideration during interim committee meetings in the fall. The Speaker wants the House to vote on the bills in Week 1 of the 2026 session. The committee met for the first time on the last day to hear a presentation on property taxes and a brief discussion of potential ideas that were put forward by the Speaker:

- **Requiring every city, county, and special district to hold a referendum** on the question of eliminating property taxes on homestead properties.
- Creating a new \$500,000 homestead exemption, as well as a \$1 million homestead exemption for properties owned by Floridians aged 65 and older, or who have had a homestead for 30 years, applicable to all non-school taxes.
- Authorizing the Legislature to increase the homestead exemption to any value by general law.

- **Modifying the assessment increase limitations** on property values:
  - » For **homestead properties**, changing the cap from the lower of 3% or CPI to a flat 3% over any three-year period for all taxes.
  - » For **non-homestead properties**, changing the cap from 10% annually to 15% over any three-year period for all non-school taxes.
- **Protecting Homeownership** by eliminating the ability to foreclose on a homestead property due to a property tax lien.

### LEGISLATION THAT PASSED

**Agricultural Tangible Personal Property (TPP)** - [HJR 1215](#) proposes an amendment to the Florida Constitution to exempt TPP when it is located on agricultural land, used in the production of agricultural products or for agritourism activities, and owned by the landowner or leaseholder of the agricultural land. This would save \$28.7 million. This proposal will go to the voters in November 2026.

### IN THE HOUSE OR SENATE TAX PACKAGE

#### HOUSE TAX PACKAGE (HB 7033) PROPERTY TAX PROVISIONS

- Expanding the exemption of land owned by a non-profit and used for affordable housing to land leased from a Housing Finance Authority. Also, the exemption would now also apply to improvements used to provide affordable housing on the land, rather than only the land itself.
- Repealing the opt out provision for local governments from the affordable housing “missing middle” exemption, making the Live Local Act’s missing middle exemption mandatory for all jurisdictions.
- A new exemption is created for multifamily (70+ units) affordable housing projects on state-owned land.
- Any Federal Aviation Agency qualified flight simulation training device, and the equipment and software necessary to operate it, would be considered owned by a governmental unit if the device reverts to the governmental unit upon the expiration of the lease. This would allow the property to qualify for the governmental exemption for tangible personal property.

## SENATE TAX PACKAGE (SB 7034) PROPERTY TAX PROVISIONS

- Exempting any portion of property used as a child care facility that has achieved Gold Seal Quality status.
- Assessing tangible personal property owned and operated by a citrus packinghouse or processor to its salvage value for the 2025 tax roll if the property is no longer used in the operation of a facility due to the effects of citrus greening.
- Extending the length of time lands may be classified as agricultural from five to 10 years after the date of execution of a compliance agreement that took the land out of production by a state or federal eradication or quarantine program.

## IN BOTH THE HOUSE AND SENATE TAX PACKAGE

- Requiring a study of Florida's property tax by the Office of Economic and Demographic Research by November 1, 2025. It will develop an array of options to eliminate or reduce property taxes on homestead properties.

## LEGISLATION THAT DID NOT PASS

**Huge Property Tax Relief Proposal** – In addition to its tax package, the House passed a proposed constitutional amendment ([HJR 1257](#)) that would result in billions of dollars in property tax relief. It would create a property tax exemption for new homebuyers who have not received a homestead exemption in the previous four years. The additional exemption would be equal to 50 percent of the just value of the property, capped at the median value of homestead property in the county. The exemption would then be reduced by 20% each year and phased out over five years. This exemption applies only to non-school property taxes. The bill would also provide the same homestead exemptions and Save Our Homes assessment increase protection that homestead property receives to any property that is under a residential lease of at least 6 months and is owned by a person who receives a homestead exemption on their primary residence. There is no limit to the number of rental properties that could receive these benefits. The new homeowner exemption has not been scored yet, but the rental property measure would reduce property taxes by \$1.9 billion annually. The amendment would have gone to the voters in November

2026. The Senate did not take it up. The House's select property tax committee will likely consider this during the summer.

**Property Tax Exemption for Surviving Spouses of Quadriplegics** - [HJR 163](#) is a proposed constitutional amendment to allow a current exemption for homes owned by quadriplegics to pass on to a surviving spouse. There are already several instances in Florida law that allow exemptions to transfer to surviving spouses. Spouses are often the full-time support person and may not work or even have much work experience. **Florida TaxWatch has testified in support of this amendment** which can help ensure that someone who just lost their husband or wife does not lose their home as well. It passed the House but was not taken up by the Senate.

**Agricultural TPP Damaged by Hurricanes** - One of the many provisions in [SB 180](#) (Emergency Preparedness and Response) provides that for one year only, agricultural tangible personal property (TPP) that was unable to be used due to Hurricanes Debby, Helene, and Milton, will be assessed at salvage value for property taxes. The bill passed the Senate, but the House took this provision out.

**Improvements to Mitigate flood damage** - [SJR 174/HJR 1039](#) are proposed constitutional amendments to authorize the Legislature to prohibit the consideration of any change or improvement made to mitigate a homestead property's susceptibility to flood damage in determining the assessed value of the property. If passed by voters, it would provide tax savings of \$29.9 million. Both bills made it to 2nd readings in their respective chambers but died there.

## PASSED AT LEAST ONE COMMITTEE, BUT STALLED

**Disabled Vets** – [SB 218](#) would have increased the current exemption for veterans with a 10 percent disability from \$5,000 to \$10,000

**Wind Damage Improvements** - [HB 1339](#) would have prohibited considering improvements to residential property to resist wind damage in assessing value.

**Agricultural Improvements** - [SB 786](#) would have exempted any improvements to property located on agricultural land and used for an agricultural purpose.

**Non-profit Homes for the Aged** - [HB 321](#) expands exemption to include nonprofit homes for the aged owned by a Florida limited partnership whose sole general partners are not licensed under chapter 429, and which are wholly owned by a not for profit corporation.

**Tax Deferrals/Tax Certificates** - [HB 761](#) would have limited eligibility for tax deferrals to homesteads valued under \$1 million or less and increased the minimum value of a tax certificate eligible for public auction or electronic sale from \$250 to \$500.

### **MAJOR PROPERTY TAX RELIEF PROPOSALS THAT DID NOT ADVANCE**

There were some big, and inventive, property tax relief proposals that were not considered in committee but could surface again if the Governor and Legislature keep pushing for a review of property taxes with the goal of reducing or eliminating them. The House select committee could also consider these over the summer.

**Big Exemption for All** - [HJR 357](#) would create a new \$100,000 exemption for all property and all levies. This would be on top of all current levies. Tax Savings - \$13.5 billion annually.

**Increase and Index Homestead Exemption** - [SJR 1016](#) would increase the homestead exemption from \$25,000 to \$75,000 and increase it annually by inflation. The additional \$25,000 homestead exemption would be repealed, making it a net \$25,000 increase. The \$75,000 exemption would apply to all levies. Currently the additional \$25,000 exemption does not apply to school levies. Tax Savings - \$2.6 billion.

**Replace Save Our Homes** - [HJR 773/SJR 1092](#) would assess homestead property at the most recent purchase price, or, in the case of new construction, the cost of construction. Assessment will not change unless sold or improved.

**Low-Income Seniors** - [SJR 326/HJR 1025](#) limit the assessed value of the homestead property of low-income seniors to the value of the property when the senior turned 65. SJR 326 would use just value, HJR 1025 would use assessed value.

**Millage Cap** - [HB 787/SB 996](#) provide that the maximum millage rate local governments may levy is 102 percent of the rolled-back rate. In addition, all of the values currently excluded from the rolled-back rate calculation—such as new construction and additions--would be

included, resulting in a lower rate. **Florida TaxWatch believes that controlling millage rates is the best way to truly control property taxes in an equitable manner.** Reductions in taxable value for classes of properties tend to shift tax burden to others and increasing millage rates can bunt savings.

**Targeted Tax Rebates** - [SB 1308](#) would allow counties or municipalities, by ordinance, to establish an ad valorem tax rebate program for property owners in designated areas where the municipality determines it is necessary for the health, safety, and welfare of its residents.

## **ECONOMIC DEVELOPMENT**

### **LEGISLATION THAT PASSED**

**Aerospace Industry** - [SB 1516](#) establishes the International Aerospace Innovation Fund (IAIF), administered by Space Florida, to accelerate global aerospace innovation by funding collaborative research and development projects, workforce development initiatives, and commercialization efforts.

### **WILL BE CONSIDERED IN BUDGET CONFERENCE**

**Rural Renaissance** – A priority of President Albritton, [SB 110](#) is a wide-ranging bill, complete with \$200 million in appropriations to create “opportunities for rural communities to expand education offerings, increase health care services, and modernize commerce.” The bill also redirects millions to transportation and affordable housing projects in fiscally constrained counties. Additionally, the bill creates the Office of Rural Prosperity, and two new grant programs benefiting rural communities: the Renaissance Grant Program and the Public Infrastructure Smart Technology Grant Program. SB 110 was approved by the full Senate in Week 3. Late in the session, the House put various provisions from SB 110 into at least three separate bills with provisions not in the Senate bill, including HB 991, dealing with the termination of Community Redevelopment Agencies. The House also removed the appropriations from the bill. Late in the session, the House substituted SB 110 for HB 991 and amended the House language on to it (with some of the rural renaissance provisions). The House passed it and sent it back to the Senate. The Senate rejected the House version of SB 110, asking the House to recede. It didn't.

**Tourism Development Taxes (TDTs)** - The House tax package ([HB 7033](#)) could make TDTs unrelated to tourism development. The bill would turn TDT revenue into general revenue for local governments, allowing them to spend it for any purpose. Any debt obligations or existing contracts would still be paid. Beyond that, there would be no requirement to spend any of it on its original purpose—tourism promotion. Starting in FY 2026-27, counties would be required to use at least 75 percent of the TDT revenue to reduce county property taxes by an equal amount. All tourist development councils will be dissolved on December 31, 2025. **Florida TaxWatch commends the House for looking for innovative ways to provide much-needed property tax relief, but we have historically supported using TDTs for tourism promotion and our research has shown that elimination of funding for promotion will hurt tourism and therefore the economy.**

### LEGISLATION THAT DID NOT PASS

**Manufacturing** - [SB 600](#) and [HB 561](#) create the Statewide Office of Manufacturing within the Department of Commerce, led by a Chief Manufacturing Officer responsible for state manufacturing activities and strategy. The bills also create the Florida Manufacturing Promotional Campaign to promote manufacturing products and businesses, which would be funded by a fee of up to a \$100 on each participating company (linked bills [SB 602/HB 563](#)). It would also establish the Florida Manufacturers' Workforce Development Grant Program to support small manufacturers with new technologies or cybersecurity infrastructure and provide workforce training support. **Florida TaxWatch has produced voluminous research on the importance of manufacturing and supports these efforts which are consistent with past recommendations.** SB 600 was approved by the full Senate, but HB 561 only made it to 2nd reading. The House bill was amended to remove a grant program to support small manufacturers with new technologies, cybersecurity infrastructure, and workforce training support. The Senate bill still contained the grant program.

**Research and Development Tax Credit** - [SB 1224](#) would increase the cap on the total amount of R&D tax credits the state can grant from \$9 million to \$50 million annually. **Florida TaxWatch has long supported increasing the R&D credit cap.** The bill was approved by the Commerce and Tourism Committee in Week 2 but it did not get any further.

**Community Redevelopment Agencies (CRAs)** - [HB 991](#) and [SB 1242](#) both initially would sunset CRAs. Created in 1969, CRAs are established by cities or counties to revitalize slums and “blighted” areas, usually using tax increment financing. There are currently 200 CRAs in Florida. This legislation would terminate all CRAs on October 1, 2045, unless their charter has an earlier date for termination. Local government would no longer be able to extend them. CRAs with outstanding debt would be able to keep operating until the bonds mature. No CRA would be able to issue new debt or start a new project after October 1 of this year. Sponsors cited widespread mismanagement as the reason for the legislation, but some committee members cited some very successful ones. The debate centered around total elimination vs. reform. The House added numerous provisions from the Senate’s “Rural Renaissance” bill to HB 991 (See SB 110 above). The CRA provisions could resurface in conference.

## ENVIRONMENT

### LEGISLATION THAT PASSED

**Distributed Wastewater Treatment Systems** - [SB 796](#) provides permit guidelines for the implementation of distributed wastewater systems. These systems are much better alternatives to septic tanks. Florida TaxWatch published [Septic-to-Sewer: Protecting Florida's Ground and Surface Water](#) to highlight the need to improve Florida's wastewater system. In our report, we recommend the Florida Legislature requires enhanced, nutrient-reducing technology for onsite sewage treatment and disposal systems (OSTDSs) when conversion to sewer is not feasible. **Florida TaxWatch provided testimony** to the Fiscal Policy Committee, which passed the bill.

**Septic to Sewer Conversion** - [HB 1123](#) authorizes municipalities to use revenue generated by the operation of a central sewage system to expand their central sewage system. **Florida TaxWatch supports this as a way to facilitate the conversion of [septic tanks to sewer systems](#).**

**Stormwater System Inspection and Flooding Project Prioritization** - [SB 180](#) is a large emergency preparedness and response bill that has a provision that **advances the Florida TaxWatch goal of better statewide planning and prioritization of water projects**. The Department of Environmental Protection (DEP), working with water management districts (WMDs), local governments, and operators of public and private stormwater management systems, will be required to produce a Flood Inventory and Restoration Report. The report must identify priority infrastructure needs within each WMDs that may result in flooding or property damage if left unaddressed. It will include an inspection and maintenance schedule for each project and the information necessary to develop a list of facilities prioritized for funding to address flooding issues.

**Development of State Parks** - [HB 209](#), filed in response to the public outcry over a plan that surfaced last year, will prevent development such as golf courses, resort-style lodges, and pickle ball courts on State Park land. Even though some think that a late Senate amendment weakened the bill, the House accepted it.

**Statewide Waste Reduction and Recycling Plan** - [HB 295](#) directs the Florida Department of Environmental Protection to develop a three-year plan based on its report on reaching Florida's recycling goal. The plan must include strategies for recycling education and outreach, local government recycling assistance, and recycling materials market development.

### LEGISLATION THAT DID NOT PASS

**Water Quality Work Program** - This is one of Florida TaxWatch's top priorities. Last session, legislation was filed to create a multi-year Water Project Work Program, **as recommended in our "[Water Infrastructure Projects are Vital: Develop and Fund a 3-5 Year Strategic Work Program](#)."** Florida has been making large investments in the state's vital water resources. But inconsistent funding, separate avenues for funding, and the huge number of member-requested water projects make coordinated statewide planning difficult and does not ensure that the best projects are selected for funding. **Florida TaxWatch believes that selection should be competitive, with each project evaluated and prioritized using an established set of measurable criteria.** A data-driven process, based on science, can ensure the projects with the best return-on-investment are chosen. This is what a Water Project Work Program can accomplish. There is a lot of support for the idea but there is a perception that more time is needed to develop it. **Florida TaxWatch urges the Legislature to address this next session.**

**Advanced Wastewater Treatment** - There is other legislation that is being considered that advances the goals of a water project work program. [SB 978](#) is a more limited application of the concept. The legislation directs the Department of Environmental Protection to compile a comprehensive list of wastewater treatment facilities, with the information needed to develop priority rankings, to guide the policy and funding of the Legislature. Sponsor Senator Lori Berman stated we must make sure "we are spending taxpayer dollars wisely and putting the most in need projects at the top of the list when it comes to state funding," **Florida TaxWatch could not agree more.** Unfortunately, after making it to its last committee (Fiscal Policy), SB 978 stayed there.

**Nature-based Methods for Improving Coastal Resilience** - [SB 50](#) and [HB 371](#) are Florida TaxWatch supported bills that would promote the use of green infrastructure and nature-based solutions to resiliency. The

Florida Flood Hub for Applied Research and Innovation would develop design guidelines and standards and models for conceptual designs for green and gray infrastructure. DEP is directed to adopt rules for nature-based methods for coastal resilience and conduct a statewide assessment to “determine the value of nature-based methods for coastal flood risk reduction” in efforts to improve coastal community flood ratings for the National Flood Insurance Program. **Florida TaxWatch has issued two reports ([here](#) and [here](#)) on nature-based resiliency**, citing its benefits and potential for cost savings, and highlighting a success story in Jacksonville. The failure of this legislation was disappointing. The bills had a lot of momentum early and SB 50 passed the Senate two weeks into session. HB 371 made it through all of its committees by Week 3 but died on 2nd reading.

**Resiliency Public-Private Partnerships** - [SB 1580](#) would give the Department of Environmental Protection (DEP) the exclusive authority to carry out coastal resiliency projects through public-private partnerships. The bill provides that, to encourage investment from the private sector in such projects, DEP could enter into long-term revenue-sharing agreements and provide expedited permitting for construction. DEP could also engage in-state vocational schools and apprenticeship programs to train workers in specialized resiliency construction. **Florida TaxWatch research has both highlighted [the importance of addressing resiliency](#) and promoted the increased use of [public-private partnerships](#)**. SB 1580 made it through all its committees but was not heard on the floor.

**Carbon Sequestration** - [HB 1063](#) and [SB 1148](#) would create the Carbon Sequestration Task Force under the Department of Environmental Protection. This task force will provide recommendations for the development of a statewide carbon sequestration program. Carbon Sequestration is the long-term storage of carbon in plants, soils, geologic formations, and the ocean through land and aquatic habitat management. It can help reduce the amount of carbon dioxide in the atmosphere to help address climate change. **The Florida TaxWatch report [“We Can’t Wait on Water: The Restoration and Protection of Florida’s Water Resources is an Essential Taxpayer Investment”](#) included information on the value of carbon sequestration and the value of mangroves in that process**. After some initial movement, both bills died in committee.

## HOUSING

Despite all the work the Legislature has done on affordable and workforce housing in the last two years, including the Live Local Act, it remains a focus. This includes increasing the stock of low-income rental housing and helping make homeownership more affordable for middle-income working families. Many housing bills were filed, including ones that expand existing incentives and promote adaptive reuse-rehabilitating property such as historic preservation, hotels, and shopping centers to create affordable housing.

### LEGISLATION THAT PASSED

**Live Local III** - [SB 1730](#) amends various provisions of the Live Local Act, passed during the 2023 Regular Session, related to the preemption of certain zoning and land use regulations to authorize affordable housing developments. For example, the bill eliminates or raises local restrictions on density, floor area ratio, and height for qualifying developments and limits the amount of nonresidential space required in mixed-use projects. It also reduced parking requirements.

**Young Adult Housing Assistance** - [SB 584](#) expands housing access and support services for students who are current or former foster youth or experiencing homelessness. Florida colleges and state universities must develop plans prioritizing the placement of eligible students in campus housing. It directs the implementation of the federal Foster Youth to Independence housing initiative.

### IN HOUSE TAX PACKAGE, WILL BE CONSIDERED IN CONFERENCE

**Property Tax Incentives** - The House tax package ([HB 7033](#)) includes three incentives, two of which are expansions of the Live Local Act. One repeals the opt out provision for local governments from the affordable housing “missing middle” exemption, making the Live Local Act’s missing middle exemption mandatory for all jurisdictions. 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. The exemption for land that is owned by a non-profit and used for affordable housing is expanded to include land leased from a Housing Finance Authority. The exemption would now also apply to

improvements used to provide affordable housing on the land, rather than only the land itself. Also, a new exemption is created for multifamily (70+ units) affordable housing projects on state-owned land where the improvements are owned and operated by private parties, regardless of whether the parties are non-profit or for-profit. The Senate package does not include these provisions.

### LEGISLATION THAT DID NOT PASS

”**Granny Flats**” - [SB 184](#) would require local governments to allow accessory dwelling units (ADUs) in single-family residential areas. The bill prohibits denial of a homestead exemption solely because a property contains an ADU and requires separate taxation if the ADU is rented. OPPAGA is required to produce a study of mezzanine financing and tiny homes for potential inclusion in affordable housing solutions. SB 184 was approved by the full Senate, but a House amendment was unacceptable to the Senate and the House refused to recede.

**Affordable/Workforce Housing Incentives** - [SB 1594](#) would have expanded existing housing tax exemptions and other incentives and creates a new credit for rehabilitating historic properties for use as affordable housing. Adaptive reuse projects that turn non-residential properties into affordable housing would be added as qualifying projects to several existing incentives. The currently dormant State Housing Tax Credit Program—which has not been used since it was established in 1999—would have been expanded to allow projects that dedicate 100 percent of the units to low-income residents. **The recent Florida TaxWatch report [“More States Are Using State-Level Tax Credits to Address Workforce and Affordable Housing Deficits”](#) found that many other states are having success with these credits and recommends that they would all be great additions to Florida’s housing toolbox.** This bill died in committee, but other tax incentives are still in play (see above).

## INSURANCE

### LEGISLATION THAT PASSED

**My Safe Florida Condominium Pilot Program** - The 2024 Legislature created the pilot program to provide condominium associations with a program similar to the My Safe Florida Home Program for single-family, detached residential properties and townhomes. It provides condos with free inspections and grant funding for wind mitigation improvements. [HB 393](#) limits participation in the program to condominiums that are three stories or more in height and are within 15 miles of the coastline. The bill also requires at least 75 percent of unit owners to approve a mitigation grant, rather than the currently required unanimous approval. The bill sets a requirement for matching grants, with the state contributing \$2 for every \$1 provided by the association towards the actual project costs.

**Health Insurance for Farmers** - [SB 480](#) allows the Florida Farm Bureau to offer health coverage plans to its members. These medical benefit plans will be exempt from insurance regulation and consumer protections that apply to other health insurers and policies. Many rural communities have limited access to medical providers and affordable health insurance coverage.

### LEGISLATION THAT DID NOT PASS

**Attorney Fees in Insurance Litigation** — [HB 947](#) would require courts to award attorney fees to prevailing parties for certain insurance cases. This bill would undo the 2023 tort reform legislation that was implemented to help restabilize the state’s property insurance market. **As discussed by a [Florida TaxWatch briefing](#), the property market currently shows sign of promise, but disrupting recent reforms could risk further improvement.** After adding the language to an unrelated Senate bill ([SB 832](#) - Former Phosphate Mining Lands), the House approved the bill. The Senate, however, refused to concur.

**Personal Injury Protection (PIP) Auto Insurance** - [HB 1181](#) would have switched Florida’s current no-fault PIP system to a fault-based system and require bodily injury coverage of \$25,000 per individual, \$50,000 per incident, and \$10,000 in property damage. Florida’s \$10,000 PIP coverage limit has been unchanged since the 1970s. The bill made it as far as the Judiciary Committee but died there.

**Human Review of Insurance Claims** – [SB 794](#) prohibits the use of artificial intelligence, machine learning algorithms, and automated systems as the sole basis for denying claims, requiring that an insurer’s decision to deny a claim must be reviewed, approved, and signed off on by a qualified human professional. This bill only made it through one committee.

## EDUCATION

As usual, many education bills were filed this session, and as the session wore on, many large amendments were passed, adding provisions from other bills and removing others. The final day saw a flurry of amendments. Big education “trains” are common in the Florida Legislature, and this session was no different. When the dust settled, bills with scores of total provisions passed.

### LEGISLATION THAT PASSED

**Education Train #1** - After the House removed the Senate’s school board administrative efficiency provisions, the 70-page [HB 1105](#) passed with provisions including:

- Requiring school districts to proportionally share discretionary sales surtax revenues with charter schools.
- Removing the requirement that 50 percent of a school’s teachers approve an application to convert a school into a charter school. Now it will only take 50 percent of parents.
- Allowing municipalities to establish “job engine” charter schools to attract employers.
- Prohibiting student cellphone use throughout the day in elementary and middle schools. Keeping the high school ban during instructional time but creating a pilot program in six counties that expands the ban during the entire school day.
- Expanding the Workforce Development Capitalization Incentive Grant Program to include charter and job engine schools serving grades 6-12.
- Requiring the development of a workforce credential program for students with an autism spectrum disorder.
- Increasing the volunteering requirement for Florida Gold Seal

Vocational Scholars and Florida Gold Seal CAPE Scholars awards from 30 to 75 hours.

**Education Train #2** - After the House replaced a 96-page Senate amendment with its own 85-page amendment, [HB 1255](#) passed with provisions including:

- Change the definition of “economically disadvantaged” used for determining eligibility for the School Readiness Program from family income that does not exceed “150 percent of the federal poverty level” to “55 percent of the state median income.” This change means that more children will have access to early learning.
- If a student is deemed to have a math deficiency, school districts are required to provide information to parents about student eligibility for New World’s Scholarship accounts and the tutoring services provided by the New Worlds Tutoring Program.
- Repeals the Florida School for Competitive Academics, created in 2023 to provide rigorous academic curriculum, and to prepare students for regional, state, and national academic competitions. However, the school has not opened.
- Expand eligibility requirements for Bright Futures Scholarship to students who earned a high school diploma from a non-Florida school while living with a parent who retired from active duty or other public service away from Florida.
- Adds an academic and research excellence standard for preeminent state research universities of an average Classic Learning Test score of 83 or higher on a 120-score scale for incoming freshmen. This can now be used as an alternative to SAT or ACT scores.
- A private school located in a county with four municipalities may construct new facilities on any land owned by a state college or university, used for a school or child care facility, or owned by other specified entities such as churches and museums without special exception, rezoning, or land use change.
- Require that information related to the costs of higher education and completion of the FAFSA be included in a financial literacy course.
- A school board that has a policy allowing corporal punishment must include a requirement for parent permission within the policy.

**Charter Schools** - [HB 443](#) will allow charter schools to adopt their own codes of student conduct and exceed enrollment caps if they can handle the growth and notify the sponsor. High-performing charters will be able to assume the charter of another school in the districts if initiated by the other school. The bill also allows full-time virtual students to participate in interscholastic athletics at public or private schools. A provision to give charters the right of first refusal when a school board is selling any real property was removed before final passage.

**School Start Times** - [SB 296](#) will restore local control by eliminating the mandate that middle school and high school days begin no earlier than 8:00 a.m. and 8:30 a.m., respectively, by 2026. School boards must factor in the health, safety, and academic benefits of later start times due to sleep deprivation impacts when setting these schedules.

**School Readiness Program** - [SB 1102](#) expands School Readiness Program eligibility to children with special needs and provides specific accountability and training criteria for providers to be eligible to receive the special needs differential allocation.

**Workforce Education** - [HB 1145](#) authorizes charter schools to receive Workforce Development Capitalization Incentive Grants. The bill also requires school districts and Florida College System institutions to expand their money-back guarantee programs to six workforce education programs instead of the current three.

**Teacher Preparation** - To address the critical teacher shortage in Florida, [HB 875](#) begins to align the core principles, standards and content of Florida's varied teacher prep programs and creates some alternative pathways for certification. The bill also requires teaching candidates to complete two specific courses: cognitive science of learning; and classroom management and high-impact instructional strategies.

## LEGISLATION THAT DID NOT PASS

**High-Stakes Testing and Administrative Efficiencies** - [SB 166](#) was wide-ranging legislation that would have made numerous changes to laws covering teachers, assessments, school choice, and school operations, facilities, and finances. One provision eliminated the requirement for students to pass the Algebra 1 End of Course Exam and Grade 10 English Language Arts Assessment to earn a standard high school diploma.

Another would have helped schools retain teachers by allowing multi-year contracts. The legislation had significant bi-partisan support and passed the full Senate.

**Teacher Fair Pay Act** - [SB 136](#) and [HB 439](#) would have provided greater flexibility to district school boards in defining and allocating employee compensation.

## HEALTH, CHILDREN, AND AGING

### LEGISLATION THAT PASSED

**Health Care Provider Scope of Practice** - In an effort to address health care workforce shortages, increase access to care, and reduce costs, a number of bills were filed to expand certain practitioners' scope of service.

- [HB 519](#) will allow health care practitioners to authorize a certified paramedic, under their direction and supervision, to administer a controlled substance in the course of providing emergency services.
- [HB 647](#) gives APRNs and PAs the authority to sign death certificates. Other states have done this to avoid the bottlenecks and delays that are occurring in Florida. [See Florida TaxWatch report on better utilization of APRNs in palliative care.](#)

**Florida TaxWatch research has supported the past expansion of scope of service for Advanced Practice Registered Nurses and Physician Assistants.**

**Child Welfare** - [SB 7012](#) addresses child welfare workforce issues by requiring the Department of Children and Families to create a Child Protective Investigator and case manager recruitment program and convene a case management workforce workgroup composed to address current policy gaps and develop actionable recommendations. It also creates a four-year pilot program for treatment foster care and enhances the data and information related to commercial sexual exploitation of children that the state must collect and report. The pilot program would introduce a short-term, family-like placement option for children in foster care that have high resource indicators or children that are stepping down from a placement in an inpatient residential treatment. The Senate bill appropriates \$3.3 million for the pilot program and recruitment program. The House removed the appropriation. [A Florida](#)

**TaxWatch report** highlighted the child welfare workforce crisis and the need for a case manager recruitment program and more funding for case managers. We recommend the budget conference committee includes the appropriation in the final budget.

**Nursing Education** – [HB 1427](#), which started out as the House companion to the Senate’s “Rural Renaissance” bill, morphed into a bill about nursing education before it finally passed. The bill establishes new requirements for nursing education programs to be approved by the Board of Nursing, including the adoption of standardized evaluation and admission criteria, a comprehensive exit exam, and a remediation program. It reduces the time an approved nursing education program can fail to meet statutory requirements before being placed on probation from two years to one year. It requires the Board of Nursing to terminate a program for failing to adhere to the annual reporting requirements. Department of Health staff are authorized to conduct on-site inspections of nursing education programs to assess compliance with requirements. Nursing program directors are required to submit a remediation plan if a program fails to meet the required graduate passage rates. A nursing education program on probationary status must offer remediation at no additional cost to students for their exit examination or preparation course. If a program’s graduate passage rate is below 30 percent, the program must reimburse tuition and fees for each student who failed to pass the National Council of State Boards of Nursing Licensing Examination as a first-time test taker.

## LEGISLATION THAT DID NOT PASS

### Health Care Provider Scope of Practice

- [HB 649](#) would have allowed Certified Registered Nurse Anesthetists to practice to the full extent of their education and training without “illusory” physician supervision, as 43 states already do.
- [HB 883](#) would have authorized psychiatric nurses registered for autonomous practice to engage in the practice of psychiatric mental health services, as determined by the Board of Nursing, without an established physician protocol.

**Social Work Licensure Interstate Compact** - [HB 27](#) would have established the Compact, enabling licensed social workers to practice

across state lines in all participating states, whether in person or through telehealth. There is a shortage of qualified professionals, and this compact could help increase Floridians’ access to quality care and social work services, no matter where they are. **Florida TaxWatch research supported last year’s licensure compact bill to help address the escalating physician shortage.** HB 27 was approved unanimously by the full House, but the Senate did not take it up.

**Alzheimer’s Disease Awareness Program** - [SB 398](#) and [HB 1065](#) would have required the Department of Elder Affairs to contract for the development and implementation of the Alzheimer’s Disease Awareness Program. The program would assist Florida residents that are affected by Alzheimer’s disease and dementia related disorders with obtaining reputable national research. **Florida TaxWatch has long supported Alzheimer’s disease research as a worthwhile cause with a high-return investment for Florida.** SB 398 passed the full Senate, with an amendment that took out a \$1.5 million appropriation for the awareness program. The House bill did not make it out of its last committee.

**Medicaid Recipients with Disabilities** – [HB 1227](#) would have helped these recipients keep their coverage unless there is a significant change in their disability status or financial eligibility. Many disabled recipients lost coverage during the post-pandemic Medicaid “unwinding” due to bureaucratic issues such as failing to respond to state information requests. The House unanimously passed its bill, and the Senate bill got through all its committees, but the full Senate did not vote on either bill. **“Florida TaxWatch has published research on the challenges facing the Medicaid redetermination process and supports efforts to protect persons with disabilities that may have been at risk of losing their Medicaid coverage.”**

## TRANSPORTATION

### LEGISLATION THAT PASSED

**Omnibus Transportation Bills** - [SB 462](#) and [SB 1662](#) both contain numerous provisions dealing with transportation. The bills went through extensive amending. Provisions were added, changed and deleted. Both bills passed and contain some good provisions. SB 462 enables the Department of Transportation (DOT) to acquire property in advance for future corridor preservation, fund workforce development grants, streamline certain design-build and bidding processes, and require performance measures for metropolitan planning organizations. It also creates a Next-generation Traffic Signal Modernization Program. SB 1662 creates the Florida Transportation Research Institute and allows new seaport projects involving spaceports, commercial shipbuilding, and manufacturing. It prohibits municipalities from limiting septic-to-sewer conversions, increases statewide right-of-way regulations, and strengthens DOT's capacity to acquire insurance and heavy equipment for emergency response.

### LEGISLATION THAT DID NOT PASS

**Electric Vehicles/Transportation Funding** — [HB 567](#), [SB 462](#), [HB 1397](#), and [SB 1662](#) all originally had provisions that would provide additional funding to the State Transportation Trust Fund in response to the loss of motor fuel tax revenues caused by increased use of electric vehicles. **A recently published [Florida TaxWatch report](#) recommended implementing legislation that distributes sales tax to the State Transportation Trust Fund.** Unfortunately, the provision was abandoned in committee substitutes for each bill. **SB 462 and 1662 passed without the EV provision (see above).**

**Highway Landscaping** - A [Florida TaxWatch report](#) looked at funding of the highway landscaping program (more than \$70 million in 2023). Florida law requires at least 1.5 percent of road construction costs be spent on plants. **We recommended that the Legislature create a tiered pricing system to increase flexibility** (as was considered in 2024) and establish an upper limit on how much can be spent on roadway landscaping. [SB 462](#) passed (see above) and made some changes to the landscaping statute, but the tiered system was not included and language in the original bill to limit funding on large construction projects (more than \$500 million) was taken out of the bill.

## GOVERNMENT EFFICIENCY AND ACCOUNTABILITY

### LEGISLATION THAT PASSED

**Administrative Rulemaking** - [SB 108](#) creates a process for review and repeal of administrative rules. All existing rules will have to be reviewed by 2030 (20 percent a year for five years). New rules will have to be reviewed five years after adoption. Agencies will be required to publish rule changes electronically and make incorporated documents publicly accessible. It also requires tracking of agency compliance with licensing timeframes. **Florida TaxWatch commends the Legislature for this overdue legislation.**

### LEGISLATION THAT DID NOT PASS

**Florida Accountability Office (FAO)** - [HB 5009](#) would have established the FAO in the Legislature. There would be four divisions, and each would have primary responsibility for various types of audits and investigations. It reorganized audit functions and expanded the audit mission to include investigations of whistleblower complaints and other matters. The bill also revised a number of provisions relating to state planning and budgeting. **The bill has a provision that Florida TaxWatch finds is very much needed:** it requires the Auditor General and the Public Integrity Division to randomly select and review appropriations projects (member projects), and if appropriate, investigate and recommend an audit of such projects. Each review must include an evaluation of the appropriations project recipient's efficient and effective administration of the project. **Florida TaxWatch has recommended increased scrutiny of member projects for many years.** HB 5009 passed the House but died on 2nd reading in the Senate.

**Agency Long-Range Program Plans** - [SB 7024](#) improves the plans by requiring inclusion of performance measures including: administrative costs as a percentage of agency costs; percentage of corrective actions taken within 6 months after audit findings; spending on services by private attorneys; and information on licensures and permits timeframes and contracting information. The plans would also be required to include implementation updates on any law enacted in the

previous legislative session. This was approved unanimously by the Senate, and it requested the House pass the bill or include it in the budget conference. The House did neither.

**Information Technology** - [SB 7026](#) would establish a central IT governance body to promote uniformity and efficiency across agencies. It would require annual IT expenditure reporting, IT architecture standards, and agency assessments, including cybersecurity risk assessments. IT procurement would be standardized and subject to increased oversight. See the Florida TaxWatch report [“It’s Time to Reform Florida’s Information Technology Procurement and Oversight.”](#) This was approved unanimously by the Senate, and it requested the House pass the bill or include it in the budget conference. The House did neither.

**Commissioner of Government Efficiency** - The House considered another approach to government efficiency. [HJR 1325](#) is a proposed constitutional amendment to create the Commissioner of Government Efficiency as a Cabinet Officer responsible for investigating and reporting on fraud, waste, and abuse. The amendment would eliminate the Lieutenant Governor, the Government Efficiency Task Force, and the requirement that the Legislature appoint an Auditor General. HJR 1325 was approved by the House, but it was not taken up by the Senate. The Senate had a similar bill ([SJR 1756](#)) which passed one committee and was then withdrawn from further consideration.

## APPENDIX A

# HOUSE PROPOSED TAX RELIEF PACKAGE – HB 7033

The total tax relief provided by this bill is estimated to be:

### Recurring tax savings:

- \$5.486 billion State
- \$4.926 billion Local
- \$560.7 million

*(all tax relief except \$0.1 million is recurring)*

### State Impact (FY2025-26):

- General Revenue - \$4.489 billion
- Trust Funds - \$10.9 million

### SALES TAX RATE CUT

A permanent sales tax cut from 6.0 percent to 5.25 percent. The sales tax rates that are less than 6.0 percent would also be cut by 0.75 percent:

- *Commercial leases (Business Rent Tax)* – 2.0% to 1.25% **(eliminating this tax is a Florida TaxWatch priority)**
- *Non-residential electricity* - 4.35% to 3.6%
- *Mobile homes* - 3.0% to 2.25%
- *Coin-operated amusement machines* - 4.0% to 3.25%.

This sales tax cut would save taxpayers \$5.4 million annually (including \$540 million in local revenue).

### SALES TAX EXEMPTION

Gold, silver, or platinum bullion with a sales price of less than \$500. Sales of more than \$500 are already exempt. (\$2.2 million recurring)

### AVIATION FUEL TAX

The bill repeals the motor fuel tax on aviation fuel, including aviation gasoline, aviation turbine fuels, and kerosene. (\$27.2 million recurring)

### COMMUNICATIONS SERVICES TAX

- The current moratorium prohibiting increases in local communications services tax rates, which is scheduled to expire January 1, 2026, would be extended until January 1, 2031. [A Florida TaxWatch recommendation.](#)
- Local governments would be required to prioritize the use of CST revenue for the timely review, processing, and approval of permit applications for the use of rights of way by providers of communications services.

### TOURIST DEVELOPMENT TAXES

- All TDT revenues could be used by counties for any public purpose, rather than being limited to the currently authorized uses. Counties are responsible for the continued payment of any debt service or existing contracts related to TDT levies.
- An amount equal to at least 75 percent of the prior year's TDT collections (less revenue needed for debt service or contracts) would be credited against county property tax bills. The credit may either be proportionate for all county taxpayers or can be allocated among certain categories of taxpayers.
- All tourist development councils would be dissolved December 31, 2025.
- Tourism promotion agencies may continue if affirmatively extended by local governing boards.

### SPECIAL ASSESSMENTS

- Public and private preschools would be added to the list of educational institutions that municipalities may exempt from special assessments. A preschool is defined as a licensed child care facility, serving children under five years of age. (\$5.9 million recurring)
- The bill specifies that special assessments on recreational vehicle parks cannot be levied against the portion of a space or campsite that exceeds the square footage of a recreational vehicle. The occupancy rates of recreational vehicle parks would also be required to be considered when levying special assessments on such parks. (\$9.1 million recurring)

## PROPERTY TAX

- The exemption for land that is owned by a non-profit and used for affordable housing would be expanded to land leased from a Housing Finance Authority. The exemption would now also apply to improvements used to provide affordable housing on the land, rather than only the land itself. (\$1.1 million recurring)
- The bill repeals the provision for local governments to opt out of the affordable housing “missing middle” exemption, making the Live Local Act’s missing middle exemption mandatory for all jurisdictions. 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. (indeterminate)
- A new exemption would be created for multifamily (70+ units) affordable housing projects on state-owned land. (\$2.3 million recurring)
- Any Federal Aviation Agency qualified flight simulation training device, and the equipment and software necessary to operate it, would be considered owned by a governmental unit if the device reverts to the governmental unit upon the expiration of the lease. This would allow the property to qualify for the governmental exemption for tangible personal property. (\$0.9 million recurring)
- The bill requires a study of Florida’s property tax by the Office of Economic and Demographic Research by November 1, 2025. It will develop an array of options to eliminate or reduce property taxes on homestead properties.

## VALUE ADJUSTMENT BOARDS (VABs)

- The bill requires the property appraiser to provide a VAB petitioner with the evidence intended to be presented at a VAB hearing at least 15 days prior to the hearing. The petitioner would no longer have to provide a written request to receive the evidence.
- The maximum filing fee for a petition with the VAB would increase from \$15 per parcel to \$50 per parcel.
- Counties would be required to allow petitioners to appear remotely at a VAB hearing.

## OTHER PROVISIONS

**Pari-Mutuel Cardroom Taxes** - The bill reduces the pari-mutuel cardroom tax rate on the monthly gross receipts of cardroom operators from 10% to 8%. (\$4.6 million recurring)

**Natural Gas Fuel Tax** – Would delay the imposition of the scheduled tax on natural gas fuel that is slated to begin at a reduced rate January 1, 2026. The bill changes the imposition of these taxes to January 1, 2030, and removes the reduced first year rate. (\$0.1 million one-time)

**Discretionary Sales Surtaxes** - The bill allows Boards of County Commissioners or School Boards to reduce or repeal any discretionary sales surtax in their jurisdiction with a two-third vote of the board, beginning four years after a surtax is levied.

**Corporate Income Tax “Piggyback”** - Florida’s corporate income tax is updated by adopting the federal Internal Revenue Code effective on January 1, 2025, to pick up any changes. This is done every year because federal taxable income is the starting point for calculating Florida taxable income. Occasionally, Florida will “decouple” from specific federal changes. This year, there are no changes that will impact Florida’s tax base.

**Charitable Trusts** - The bill excludes charitable trusts from the definition of corporation. As a result, charitable trusts will not be subject to Florida Corporate Income Tax on their unrelated business taxable income beginning with taxable years beginning on or after January 1, 2026. (\$1.1 million recurring)

**Local Incentives** - The bill preserves enterprise zone boundaries in existence before December 31, 2015, for the purpose of allowing local governments to administer local incentive programs.

**Funding for the Horse Industry** - The bill redirects \$5 million that now goes to the Florida Thoroughbred Breeders’ Association to Tampa Bay Downs (\$1 Million) and Gulfstream Park Racing Association (\$4 million).

# APPENDIX B SENATE PROPOSED TAX RELIEF PACKAGE – SB 7034

The total tax relief provided by this bill is estimated to be:

**Non-recurring savings:** \$1.182 billion

- State - \$1.093 billion
- Local - \$88.5 million

**Recurring savings:** \$946.8 million

- State - \$750.8 million
- Local - \$196.0 million

**State Impact (FY2025-26):**

- General Revenue - \$979.4 million
- Trust Funds - \$590.7 million

## PERMANENT SALES TAX EXEMPTIONS

- Clothing and shoes with a sales price of \$75 or less per item. (\$898 million recurring)
- Gold, silver, or platinum bullion with a sales price of less than \$500. Sales of more than \$500 are already exempt. (\$2.2 million recurring)

## SALES TAX HOLIDAYS

- **Freedom Months (recreational)** - June 1 through July 31, 2025. Admissions (including annual passes) to concerts, sporting events, movies, museums, ballets, plays, fairs, festivals, and gym memberships. Tickets must be purchased in June or July, but the event can take place any time before through December. Also exempt are boating and water activity supplies, camping supplies, fishing supplies, general outdoor supplies, residential pool supplies, and certain electric scooters. (\$237.6 million)
- **Disaster Preparedness** – May 15-31, 2025. Items and supplies necessary for disaster preparation and the evacuation of pets. (\$49.0 million)

- **Back-to-School** - August 1-10, 2025. Items include bags and backpacks, school supplies, learning aids and puzzles, and personal computers and computer accessories. (\$30.9 million)
- **Hunting Season** - September 8 to December 31, 2025. Items include ammunition, firearms, bows, crossbows, and certain accessories for firearms or bows and crossbows. (\$28.6 million)
- **Skilled Worker** - August 29 to September 7, 2025. Tools and safety equipment. (\$21.7 million)

## MOTOR VEHICLE REGISTRATION CREDIT

The one-time credit would be equal to the annual license tax and fees owed for automobiles, light and heavy trucks, and motorcycles and mopeds. In effect, every vehicle would get one free registration. (\$813.1 million)

## TAX CREDITS

- **Home Away from Home Tax Credit** - Provides a credit against various taxes for contributions to Florida non-profits that house families of critically ill children receiving treatment. (\$5 million)
- **Rural Community Investment Program** - Allows investors to earn tax credits against the corporate income tax or insurance premium tax by investing in a rural investment fund. (\$7.0 million)

## COMMUNICATIONS SERVICES TAX

The current moratorium prohibiting increase in local communications services tax rates, which is scheduled to expire January 1, 2026, is extended until January 1, 2031. [A Florida TaxWatch recommendation.](#)

## PROPERTY TAX

- Exempts property used for educational purposes when any portion of real property is used by a child care facility that has achieved Gold Seal Quality status.
- Assesses tangible personal property owned and operated by a citrus packinghouse or processor to its salvage value for the 2025 tax roll if the property is no longer used in the operation of a facility due to the effects of citrus greening. (\$0.8 million)
- Extends the length of time lands may be classified as agricultural from five to 10 years after the date of execution of a compliance

agreement that took the land out of production by a state or federal eradication or quarantine program. (\$1.0 million)

- Requires a study of Florida's property tax by the Office of Economic and Demographic Research by November 1, 2025. It will develop an array of options to eliminate or reduce property taxes on homestead properties.

## **OTHER PROVISIONS**

**Value Adjustment Boards (VABs)** – VABs in counties with populations over 75,000 will be required to allow petitioners to appear remotely at a hearing. Also, a taxpayer that received a final action by the VAB will be allowed to bring an action within 30 days after recertification by the property appraiser if the roll was extended.

**Corporate Income Tax “Piggyback”** - Florida's corporate income tax is updated by adopting the federal Internal Revenue Code effective on January 1, 2025, to pick up any changes. This is done every year because federal taxable income is the starting point for calculating Florida taxable income. Occasionally, Florida will “decouple” from specific federal changes. This year, there are no changes that will impact Florida's tax base.

**Tourist Development Tax** – The amount of tourist development tax revenue that must be spent to promote and advertise tourism before revenue may be used for public facilities would be capped at \$50 million.

**DOR Audits** - The activities that the Department of Revenue may engage in during the 60-day pre-audit preparation period are specified.

**Health Center Funding** - The distribution from the beverage tax to certain health centers is increased from \$30 million to \$60 million annually. The health centers are the Sylvester Comprehensive Cancer Center, Brain Tumor Immunotherapy Program at Shands Cancer Center, the Norman Fixel Institute for Neurological Diseases, and the Mayo Clinic Comprehensive Cancer Center in Jacksonville.

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## ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

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All Florida TaxWatch research is done under the direction of Dominic M. Calabro, President, CEO, Publisher & Editor.

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