A bill to be entitled

An act relating to tax credits for contributions to assist homebuyers; providing a directive to the Division of Law Revision; creating part VII of ch. 420, F.S.; creating s. 420.951, F.S.; defining terms; creating s. 420.952, F.S., authorizing certain taxpayers to receive a tax credit for specified contributions; providing requirements for the use of such credit; requiring a taxpayer to submit a certain application beginning on a specified date; requiring the application include specified information and documentation; authorizing the tax credit to be used against certain taxes; requiring the Department of Revenue to approve applications in a specified manner; providing the maximum amount of credits authorized for specified fiscal years; authorizing unused credits to carryforward for a specified period of time in certain circumstances; prohibiting the sale or transfer of certain tax credits; authorizing the department to adopt rules; providing for future repeal; providing construction; creating s. 220.1856, F.S.; providing a credit against the corporate income tax for certain contributions beginning on a specified date; authorizing the credit on a consolidated return basis under certain circumstances; providing applicability;

amending s. 220.02, F.S.; revising the order in which certain credits are intended to be applied to incorporate changes made by the act; amending s. 220.13, F.S.; requiring the addition of the amount taken for a specified credit to taxable income; creating s. 624.51065, F.S.; providing a credit against insurance premium taxes for certain contributions beginning on a specified date; providing construction; providing applicability; authorizing the department to adopt emergency rules; providing for future repeal; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. The Division of Law Revision is directed to create part VIII of chapter 420, Florida Statutes, consisting of ss. 420.951 and 420.952, Florida Statutes, to be entitled "Housing Tax Credits."

Section 2. Section 420.951, Florida Statutes, is created to read:

420.951 Definitions.—As used in this part, the term:

(1) "Department" means the Department of Revenue.

(2) "Eligible employee" means a full-time employee who:

(a) Has established permanent residency in the state;

(b) Is a moderate-income person as that term is defined in s. 420.602; and

(c) Has not owned property to which the homestead exemption provided in s. 196.031(1)(a) applied in the 3 calendar years before such purchase.

(3) "Eligible expenses" means a down payment or any closing costs related to a qualifying home purchase.

(4) "Eligible taxpayer" means a taxpayer as defined in s. 220.03(1)(z) or an insurer as defined in s. 624.509(9) who has operated in the state for at least 3 consecutive years.

(5) "Employer contribution" means a monetary contribution of at least $1,000 from an employer to its employee pursuant to this part.

(6) "Qualifying home purchase" means the purchase of a property by an eligible employee for use as his or her primary residence.

(7) "Maximum annual tax credit amount" means, for any state fiscal year, the sum of the amount of tax credits approved under s. 420.952, including tax credits to be taken under s. 220.1856 or s. 624.51065, which the department may approve for taxpayers whose taxable years begin on or after January 1 of the calendar year preceding the start of the applicable state fiscal year.

(8) "Tax due" means any tax required under chapter 220 or chapter 624.

Section 3. Section 420.952, Florida Statutes, is created to read:

420.952 Homebuyer Workforce Tax Credit.—

(1) An eligible taxpayer may receive a credit against any tax due, up to $500,000 per taxable year, for 100 percent of an employer contribution to an eligible employee to pay for eligible expenses related to a qualifying home purchase. An eligible taxpayer may not receive more than $5,000 of credit for employer contributions made to a single employee.

(2) The credit shall be first applied to the taxable year in which the contribution is made. If a tax credit approved under this section is not fully used for the specified taxable year because of insufficient tax liability on the part of the eligible taxpayer, the unused amount may be carried forward for a period not to exceed 5 taxable years. For purposes of s. 220.1856, the carryover credit may be used in a subsequent year after applying the other credits and unused credit carryovers in the order provided in s. 220.02(8).

(3) The total credit taken by an eligible taxpayer in a single taxable year may not exceed the total of the credit approved by the department pursuant to subsection (4).

(4) Beginning October 1, 2026, an eligible taxpayer may submit an application to the department for the purposes of determining qualification for a credit under this section. The department must approve the application for the credit before the eligible taxpayer is authorized to claim the credit on a return.

(a) An application must include, on a form prescribed by the department, documentation including:

1. A statement signed under oath by the eligible employee that he or she received the eligible contribution, that the employee's household met the applicable income limitation, and that such contribution was used for a qualifying home purchase.

2. Evidence that the eligible employee has been approved by the property appraiser for a homestead exemption on the applicable property.

3. Any other information the department requires to verify qualification for the credits authorized under subsection (1).

(b) The eligible taxpayer shall specify in the application each tax for which the taxpayer requests a credit and the applicable taxable year. For purposes of s. 220.1856, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that year pursuant to s. 220.222. For purposes of s. 624.51065, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that prior taxable year pursuant to ss. 624.509 and 624.5092.

(5) The department shall approve applications on a first-come, first-served basis within 30 days after receipt of a completed application. Within 10 days after approving or denying an application, the department shall provide a copy of its

approval or denial letter to the taxpayer. If the department determines that an application is incomplete, the department shall notify the taxpayer in writing and the taxpayer shall have 30 days after receiving such notification to correct any deficiency. If corrected in a timely manner, the application must be deemed completed as of the date the application was first submitted.

(6) For purposes of calculating the underpayment of estimated corporate income taxes under s. 220.34 and tax installment payments for taxes on insurance premiums or assessments under s. 624.5092, the final amount due is the amount after credits earned under s. 220.1856 or s. 624.51065 are deducted.

(a) For purposes of determining if a penalty or interest under s. 220.34(2)(d)1. will be imposed for underpayment of estimated corporate income tax, a taxpayer may, after earning a credit under s. 220.1856, reduce any estimated payment in that taxable year by the amount of the credit.

(b) For purposes of determining if a penalty under s. 624.5092 will be imposed, an insurer, after earning a credit under s. 624.51065 for a taxable year, may reduce any installment payment for such taxable year of 27 percent of the amount of the net tax due as reported on the return for the preceding year under s. 624.5092(2)(b) by the amount of the credit.

(7) For state fiscal years 2026-2027, 2027-2028, and 2028-2029, the maximum annual tax credit amount is $5 million.

(8) An eligible taxpayer may not convey, transfer, or assign an approved tax credit or carryforward tax credit to another entity.

(9) The department may adopt rules necessary to administer this section, including rules establishing application forms, procedures governing the approval and carryforward of tax credits, and procedures to be followed by taxpayers when claiming approved tax credits on their returns.

(10)(a) This section is repealed January 1, 2030, unless reviewed and saved from repeal through reenactment by the Legislature.

(b) Notwithstanding the repeal of this section contained in paragraph (a), carryover credits authorized under subsection (2) remain valid until their scheduled expiration.

Section 4. Section 220.1856, Florida Statutes, is created to read:

220.1856 Homebuyer Workforce Tax Credit.—

(1) For taxable years beginning on or after January 1, 2027, there is allowed a credit of 100 percent of an eligible contribution made under s. 420.952 against any tax due for a taxable year under this chapter. An eligible contribution must be made on or before the date the taxpayer is required to file a return pursuant to s. 220.222.

(2) A taxpayer who files a Florida consolidated return as a member of an affiliated group pursuant to s. 220.131(1) may be allowed the credit on a consolidated return basis.

(3) Section 420.952 applies to the credit authorized by this section.

(4) If a taxpayer applies and is approved for a credit under s. 420.952 after timely requesting an extension to file under s. 220.222(2):

(a) The credit does not reduce the amount of tax due for purposes of the department's determination as to whether the taxpayer was in compliance with the requirement to pay tentative taxes under ss. 220.222 and 220.32.

(b) The taxpayer's noncompliance with the requirement to pay tentative taxes shall result in the revocation and rescindment of any such credit.

(c) The taxpayer shall be assessed for any taxes, penalties, or interest due from the taxpayer's noncompliance with the requirement to pay tentative taxes.

Section 5. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.—

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181,

those enumerated in s. 220.183, those enumerated in s. 220.182, those enumerated in s. 220.1895, those enumerated in s. 220.195, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.1875, those enumerated in s. 220.1876, those enumerated in s. 220.1877, those enumerated in s. 220.18775, those enumerated in s. 220.1878, those enumerated in s. 288.062, those enumerated in former s. 288.9916, those enumerated in former s. 220.1899, those enumerated in former s. 220.194, those enumerated in s. 220.196, those enumerated in s. 220.198, those enumerated in s. 220.1915, those enumerated in s. 220.199, those enumerated in s. 220.1991, ~~and~~ those enumerated in s. 220.1992, and those enumerated in s. 220.1856.

Section 6. Paragraph (a) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(a) Additions.—There shall be added to such taxable income:

1.a. The amount of any tax upon or measured by income,

excluding taxes based on gross receipts or revenues, paid or accrued as a liability to the District of Columbia or any state of the United States which is deductible from gross income in the computation of taxable income for the taxable year.

b. Notwithstanding sub-subparagraph a., if a credit taken under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878 is added to taxable income in a previous taxable year under subparagraph 11. and is taken as a deduction for federal tax purposes in the current taxable year, the amount of the deduction allowed shall not be added to taxable income in the current year. The exception in this sub-subparagraph is intended to ensure that the credit under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878 is added in the applicable taxable year and does not result in a duplicate addition in a subsequent year.

2. The amount of interest which is excluded from taxable income under s. 103(a) of the Internal Revenue Code or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal Revenue Code or any other law, excluding 60 percent of any amounts included in alternative minimum taxable income, as defined in s. 55(b)(2) of the Internal Revenue Code, if the taxpayer pays tax under s. 220.11(3).

3. In the case of a regulated investment company or real estate investment trust, an amount equal to the excess of the

net long-term capital gain for the taxable year over the amount of the capital gain dividends attributable to the taxable year.

4. That portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.181. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

5. That portion of the ad valorem school taxes paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.182. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

6. The amount taken as a credit under s. 220.195 which is deductible from gross income in the computation of taxable income for the taxable year.

7. That portion of assessments to fund a guaranty association incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year.

8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year.

9. The amount taken as a credit for the taxable year under s. 220.1895.

10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185.

11. Any amount taken as a credit for the taxable year under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. This addition is not intended to result in adding the same expense back to income more than once.

12. The amount taken as a credit for the taxable year under s. 220.196. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. The addition is not intended to result in adding the same expense back to income more than once.

13. The amount taken as a credit for the taxable year pursuant to s. 220.198.

14. The amount taken as a credit for the taxable year pursuant to s. 220.1915.

15. The amount taken as a credit for the taxable year pursuant to s. 220.199.

16. The amount taken as a credit for the taxable year pursuant to s. 220.1991.

17. The amount taken as a credit for the taxable year

pursuant to s. 220.1856, which was deducted in the computation of taxable income for the taxable year.

Section 7. Section 624.51065, Florida Statutes, is created to read:

624.51065 Homebuyer Workforce Tax Credit.—

(1) For taxable years beginning on or after January 1, 2027, there is allowed a credit of 100 percent of an eligible contribution made under s. 420.952 against any tax due for a taxable year under this chapter after deducting from such tax credits and deductions in the order provided in s. 624.509(7).

(2) An eligible contribution must be made on or before the date the taxpayer is required to file a return pursuant to ss. 624.509 and 624.5092. An insurer claiming a credit against premium tax liability under this section is not required to pay any additional retaliatory tax levied under s. 624.5091 as a result of claiming such credit. Section 624.5091 does not limit such credit in any manner.

(3) Section 420.952 applies to the credit authorized by this section.

Section 8. (1) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under s. 120.54(4), Florida Statutes, for the purpose of implementing provisions related to the creation of the Homebuyer Workforce Tax Credit by this act. Notwithstanding any other law, emergency rules adopted under this section are effective for 6

months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(2) This section shall take effect upon becoming a law and expires July 1, 2029.

Section 9. Except as otherwise expressly provided by this act and except for this section, which shall take effect upon becoming a law, this act shall take effect July 1, 2026.