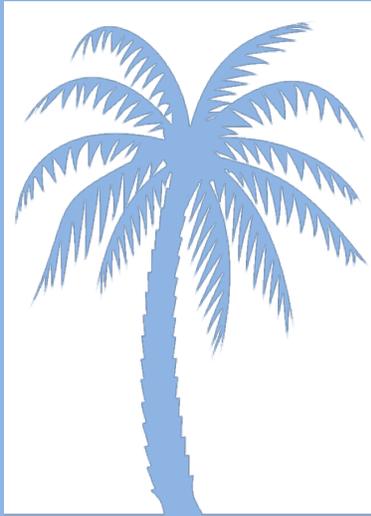


POST-LEGISLATIVE REVIEW



DEPARTMENT OF REVENUE

FLORIDA

2020

Changes to Florida Tax Laws

The Florida Department of Revenue (Department) compiled this Post-Legislative Review to provide information about general laws enacted by the Florida Legislature during the 2020 Legislative Session.

Use this booklet for reference only. The discussion of each item is brief and may not include every detail of the law that could affect a taxpayer. Before applying the changes to a specific decision on taxes, please review the applicable statute or Department rule. For current statutes, please visit the Florida Legislature's website at www.leg.state.fl.us.

If you have questions about general tax issues, you may call Taxpayer Services at (850) 488-6800; request a written response to a tax question by writing to Taxpayer Services, Florida Department of Revenue, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112; or email your request to DORGTA@floridarevenue.com.

If you have specific questions about property tax issues, you may contact a county official's office. For general questions regarding Property Tax Oversight, you may mail your inquiry to Property Tax Oversight, Florida Department of Revenue, P.O. Box 3000, Tallahassee, Florida 32315-3000 or email your request to DORPTO@floridarevenue.com.

For additional information about the Department, please visit our website at <https://floridarevenue.com>.

We hope you find this information useful. We welcome your comments and suggestions. Please write to our Office of Legislative and Cabinet Services at P.O. Box 5906, Tallahassee, Florida 32314-5906 or email jamie.peate@floridarevenue.com.

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Abbreviations used in this publication:

Ch. – Chapter	CS – Committee Substitute
Clerk – Clerk of the Court	F.S. – Florida Statutes
Eng. – Engrossed	HB – House Bill
HJR – House Joint Resolution	SB – Senate Bill
s. – section	ss. – sections

CORPORATE INCOME TAX

➤ Adoption of the 2020 U.S. Internal Revenue Code

Effective Date: September 18, 2020 (Retroactive to January 1, 2020)

Statute Reference: Section 220.03, F.S.

Chapter Law: Sections 1 and 2, 2020-184 (HB 7095)

Updates the references in the Florida Income Tax Code to conform to the United States Internal Revenue Code (IRC) in effect January 1, 2020.

➤ Automatic Refunds

Effective Date: April 8, 2020 (Applies retroactively to fiscal year 2018-2019)

Statute Reference: Section 220.1105, F.S.

Chapter Law: Section 25, 2020-10 (HB 7097, 2nd Eng.)

Revises the definition of the term “final tax liability” to include the amount of any credit for contributions to eligible nonprofit scholarship-funding organizations pursuant to the Florida Tax Credit Scholarship Program taken on a return filed with the Department.

FUEL TAX

➤ Bond Required of Licensed Terminal Supplier, Importer, Exporter, or Wholesaler

Effective Date: July 1, 2020

Statute Reference: Sections 206.05 and 206.90, F.S.

Chapter Law: Sections 14 and 16, 2020-10 (HB 7097, 2nd Eng.)

Updates the maximum bond the Department may require from a terminal supplier, importer, exporter, or wholesaler of motor fuel or diesel fuel from \$100,000 to \$300,000.

➤ Dyeing and Marking; Notice Requirements

Effective Date: July 1, 2020

Statute Reference: Section 206.8741, F.S.

Chapter Law: Section 15, 2020-10 (HB 7097, 2nd Eng.)

Revises the penalty for failure to provide or post a notice relating to dyed diesel fuel. The penalty is revised to \$2,500 for each month such failure occurs.

LOCAL GOVERNMENT

➤ The City of Weeki Wachee, Hernando County

Effective Date: June 9, 2020

Statute Reference: N/A

Chapter Law: Sections 1 and 2, 2020-196 (CS/HB 1215)

The City of Weeki Wachee is abolished. All assets and legitimate liabilities of the City of Weeki Wachee are transferred to Hernando County.

PROPERTY TAX OVERSIGHT

➤ Annual Application Required for Exemption

Effective Date: On the 60th day after adjournment sine die of the session of the Legislature

Statute Reference: Section 196.011, F.S.

Chapter Law: Section 33, 2020-2 (SB 596)

Removes obsolete language referring to requiring a social security number to be added to the homestead exemption application.

➤ Transfer of Tax Exemption for Veterans

Effective Date: July 1, 2020

Statute Reference: Sections 196.011 and 196.081, F.S.

Chapter Law: Sections 1 and 2, 2020-140 (HB 1249)

Allows a veteran who was honorably discharged with a service-connected total and permanent disability to receive a property tax refund of the ad valorem taxes paid for a newly acquired property, prorated as of the date of the transfer, if the veteran meets certain conditions.

➤ **Hospitals; Community Benefit Reporting**

Effective Date: January 1, 2022

Statute Reference: Section 193.019, F.S.

Chapter Law: Section 2, 2020-10 (HB 7097)

Creates section 193.019, F.S., to require community benefit reporting by property owners seeking exemptions for hospital property. By January 15, each applicant shall submit to the Department a copy of the applicant's most recently filed IRS Form 990, Schedule H; a statement certifying the county net community benefit expense is true and correct; and a schedule displaying certain information. The Department must determine if the county net community benefit expense attributed to an applicant's property located in a county equals or exceeds the tax reductions resulting from the exemptions described in subsection 193.019(2), F.S., for that county.

➤ **Assessment of Certain Property Damaged or Destroyed by Hurricane Michael**

Effective Date: July 1, 2020

Statute Reference: Section 193.1557, F.S.

Chapter Law: Section 3, 2020-10 (HB 7097)

Creates section 193.1557, F.S., to extend from three years to five years the timeframe for commencing changes, additions or improvements for property damaged or destroyed by Hurricane Michael in 2018. Sections 193.155(4)(b), 193.1554(6)(b), or 193.1555(6)(b), F.S., apply to changes, additions, or improvements begun within five years after January 1, 2019, and apply to tax years 2019 – 2023. The section will be repealed December 31, 2023.

➤ **Special Magistrates; Property Evaluators**

Effective Date: July 1, 2020

Statute Reference: Section 194.035, F.S.

Chapter Law: Section 4, 2020-10 (HB 7097)

Amends section 194.035, F.S., to provide that an appraisal may not be submitted as evidence to a value adjustment board in any year when the person who performed the appraisal serves as a special magistrate to that value adjustment board.

➤ **Classification of Property**

Effective Date: July 1, 2020

Statute Reference: Section 195.073, F.S.

Chapter Law: Section 5, 2020-10 (HB 7097)

Adds clarifying language to sections 195.073(1)(a)3. and 195.073(1)(b), F.S., directing property appraisers to categorize apartments over nine units as commercial properties for classification purposes and submitting the annual tax roll.

➤ **Review of Assessment Rolls**

Effective Date: July 1, 2020

Statute Reference: Section 195.096, F.S.

Chapter Law: Section 6, 2020-10 (HB 7097)

Clarifies section 195.096, F.S., to specify that the Department conducts an in-depth review of the real property assessment roll once every two years. Deletes the requirement for the Department to calculate the confidence interval for the median for each classification or subclassification studied and for the roll as a whole. Deletes the requirement for the Department to compute statistical and analytical measures for the personal property assessment roll. Revises the classification of residential property consisting of two or more primary living units to contain two to nine primary living units. Changes the classification of improved commercial and industrial property to include apartments with more than nine units.

➤ **Exemption for Deployed Servicemembers**

Effective Date: April 8, 2020 (First applies to the 2020 ad valorem tax roll)

Statute Reference: Section 196.173, F.S.

Chapter Law: Sections 7 and 8, 2020-10 (HB 7097)

Deletes Operation Enduring Freedom from the list of military operations for which an exemption is available to deployed servicemembers. Adds Operation Juniper Shield, which began February 2007; Operation Pacific Eagle, which began September 2017; and Operation Martillo, which began January 2012.

➤ **Application Deadline for Additional Ad Valorem Tax Exemption for Specified Deployments**

Effective Date: April 8, 2020 (First applies to the 2020 ad valorem tax roll)

Statute Reference: Section 196.173, F.S.

Chapter Law: Section 9, 2020-10 (HB 7097)

Creates a requirement that notwithstanding the March 1 filing deadline specified in section 196.173(6), F.S., the deadline for applying for an additional ad valorem tax exemption under section 196.173, F.S., for the 2020 tax year is June 1, 2020. If an application is not timely filed, a property appraiser may grant the exemption under certain conditions. If denied, applicants may petition the value adjustment board with no filing fee.

➤ **Affordable Housing Property Exemption – Vacant Units**

Effective Date: April 8, 2020 (Operates retroactively to January 1, 2020)

Statute Reference: Section 196.1978, F.S.

Chapter Law: Section 10, 2020-10 (HB 7097)

Amends section 196.1978, F.S., to specify that vacant units are treated as portions of the affordable housing property exempt under section 196.1978(1), F.S., if a recorded land use restriction agreement in favor of the Florida Housing Finance Corporation or any other governmental or quasi-governmental jurisdiction requires that all residential units within the property be used in a manner qualifying for the exemption.

➤ **Affordable Housing Property Exemption – Income Limits/Limited Liability Companies**

Effective Date: January 1, 2021

Statute Reference: Section 196.1978, F.S.

Chapter Law: Section 11, 2020-10 (HB 7097)

Amends section 196.1978, F.S., to specify that vacant units and units occupied by natural persons or families whose income no longer meets the income limits of section 196.1978(1), F.S., but whose income met those income limits when they became tenants, shall be treated as portions of the affordable housing property exempt under section 196.1978(1), F.S., under certain conditions. Also exempts an affordable housing project owned by a limited liability company that is also owned by a second limited liability company meeting specified provisions.

➤ **TRIM Process Improvements**

Effective Date: April 8, 2020

Statute Reference: Section 200.065, F.S.

Chapter Law: Section 12, 2020-10 (HB 7097)

Amends numerous provisions in section 200.065, F.S., to reflect alternate deadlines, scheduling requirements, and revised notice provisions for local taxing authorities in times of a declared state of emergency.

➤ **Notice of Proposed Property Taxes and Non-Ad Valorem Assessments**

Effective Date: July 1, 2020

Statute Reference: Section 200.069, F.S.

Chapter Law: Section 13, 2020-10 (HB 7097)

Prohibits property appraisers from including in the mailing of the notice of proposed property taxes and non-ad valorem assessments additional information or items unless such information or items explain a component of the notice or provide information directly related to the assessment or taxation of the property.

➤ **Homestead Assessments – Proposed Amendment**

Effective Date: If approved by voters, effective January 1, 2021

Statute Reference: Section 4(d), Article VII, Florida Constitution

Chapter Law: N/A (HJR 369)

Proposes an amendment to the Florida Constitution extending the period to transfer the Save Our Homes (SOH) assessment limitation from a prior homestead to a new homestead by an additional year. It would allow the SOH benefit to be transferred to a new homestead if the new homestead is established by January 1 of the third year subsequent to abandonment of the old homestead.

➤ **Homestead Assessments – Amendment Implementation**

Effective Date: On the date HJR 369 takes effect, if approved

Statute Reference: Section 193.155, F.S.

Chapter Law: Section 1, 2020-175 (HB 371)

Extends the timeframe from two years to three years for a property owner to transfer the accrued benefit from certain assessment limitations on homestead property. Deletes obsolete provisions pertaining to 2008 homestead property assessments.

➤ **Discounts for Disabled Veteran’s Surviving Spouse – Proposed Amendment**

Effective Date: If approved by voters, effective January 1, 2021

Statute Reference: Section 6(e), Article VII, Florida Constitution

Chapter Law: N/A (HJR 877)

Proposes an amendment to the Florida Constitution to allow the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to carry over to the surviving spouse of a veteran receiving the discount if the surviving spouse holds legal or beneficial title to the homestead and permanently resides thereon. The discount would apply to the property until the surviving spouse remarries, sells, or otherwise disposes of the property.

➤ **Discounts for Disabled Veteran’s Surviving Spouse – Amendment Implementation**

Effective Date: On the date HJR 877 takes effect, if approved

Statute Reference: Section 196.082, F.S.

Chapter Law: Sections 1 and 2, 2020-179 (HB 879)

Allows the discount from ad valorem tax the permanently disabled veteran received to carry over to the veteran’s spouse if the spouse holds the legal or beneficial title to the homestead and permanently resides there.

REEMPLOYMENT TAX

➤ Electronic Reporting and Remitting of Contributions and Reimbursements

Effective Date: July 1, 2020

Statute Reference: Section 443.163, F.S.

Chapter Law: Section 27, 2020-10 (HB 7097, 2nd Eng.)

Specifies that corrections to Employers Quarterly Reports filed with the Department by certain employers must be filed electronically. Deletes an additional filing requirement for certain persons.

Reduces certain penalties for employers who fail to properly file their quarterly report. Revises criteria for requesting a waiver of a penalty from the Department.

SALES TAX

➤ Clothing and School Supplies Sales Tax Holiday

Effective Date: April 8, 2020

Statute Reference: N/A

Chapter Law: Section 30, 2020-10 (HB 7097, 2nd Eng.)

Exempts, from August 7, 2020, through August 9, 2020, the following:

- Sales of clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of \$60 or less per item.
- Sales of school supplies having a sales price of \$15 or less per item.
- Sales of personal computers and related accessories having a sales price of \$1,000 or less per item purchased for noncommercial home or personal use.

"Clothing" is defined to mean:

1. Any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs; and
2. All footwear, excluding skis, swim fins, roller blades, and skates.

"School supplies" is defined to mean pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue, paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators.

"Personal computers" includes electronic book readers, laptops, desktops, handhelds, tablets, or tower computers. The term does not include cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.

"Personal computer-related accessories" include keyboards, mice, personal digital assistants, monitors, other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit. The term does not include furniture or systems, devices, software, or peripherals that are designed or intended

primarily for recreational use. The term "monitor" does not include any device that includes a television tuner.

These exemptions do not apply to sales made within a theme park or entertainment complex, a public lodging establishment, or an airport.

Dealers whose sales of items that would be exempt during the holiday was less than 5% of the dealer's gross sales in the prior calendar year may choose not to participate in the holiday. Dealers that choose not to participate must notify the Department in writing by August 1, 2020, of its election to collect sales tax during the holiday, and must post a copy of that notice in a conspicuous location at its place of business.

The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), F.S., for the purpose of implementing this section.

For the 2019-2020 fiscal year, \$241,000 is appropriated from the General Revenue Fund to the Department for administering the holiday.

➤ **Determination of Business Address Situs, Distributions, and Adjustments**

Effective Date: July 1, 2020

Statute Reference: Section 212.181, F.S.

Chapter Law: Section 21, 2020-10 (HB 7097, 2nd Eng.)

Creates a new section which specifies requirements for counties and the Department in updating certain databases and determining business addresses for sales tax purposes. Specifies a requirement for certain counties imposing a tourist development tax.

Provides procedures and requirements for correcting certain misallocations of certain tax distributions.

➤ **Disaster Preparedness Supplies Sales Tax Holiday**

Effective Date: April 8, 2020

Statute Reference: N/A

Chapter Law: Section 31, 2020-10 (HB 7097, 2nd Eng.)

Exempts, from May 29, 2020, through June 4, 2020, the following:

- A portable self-powered light source selling for \$20 or less.
- A portable self-powered radio, two-way radio, or weather-band radio selling for \$50 or less.
- A tarpaulin or other flexible waterproof sheeting selling for \$50 or less.
- An item normally sold as, or generally advertised as, a ground anchor system or tie-down kit selling for \$50 or less.
- A gas or diesel fuel tank selling for \$25 or less.
- A package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less.
- A nonelectric food storage cooler selling for \$30 or less.
- A portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$750 or less.
- Reusable ice selling for \$10 or less.

These exemptions do not apply to sales made within a theme park or entertainment complex, a public lodging establishment, or an airport.

➤ **Information Returns Relating to Payment-card and Third-party Network Transactions**

Effective Date: January 1, 2021

Statute Reference: Sections 212.134, F.S.

Chapter Law: Section 20, 2020-10 (HB 7097, 2nd Eng.)

Creates a new section which requires payment settlement entities, or their electronic payment facilitators or contracted third parties, to submit information returns to the Department if the entity, facilitator or the third party must file a return pursuant to s. 6050W of the Internal Revenue Code. The information return must be submitted by the 30th day after filing the federal return. The term “payment settlement entity” has the same meaning as provided in s. 6050W of the Internal Revenue Code. Provides for a penalty for failing to file the required information return, filing an incomplete information return, or not filing the information return within the time prescribed.

➤ **Sale of a Boat or Aircraft to a Nonresident Purchaser**

Effective Date: July 1, 2020

Statute Reference: Section 212.05, F.S.

Chapter Law: Section 17, 2020-10 (HB 7097, 2nd Eng.)

Revises timeframes for certain documentation to be provided to the Department for the purposes of a sales tax exemption for the sale of certain boats and aircraft.

TAX ADMINISTRATION

➤ Clerks of Court Trust Fund

Effective Date: July 1, 2020

Statute Reference: Section 213.0537, F.S.

Chapter Law: Section 23, 2020-10 (HB 7097, 2nd Eng.)

Creates a new section authorizing the Department to provide certain official correspondence to taxpayers electronically upon the affirmative consent of the taxpayer.

➤ Electronic Notification with Affirmative Consent

Effective Date: On the 60th day after adjournment sine die of the session of the Legislature in which enacted.

Statute Reference: Sections 28.35 and 28.36, F.S.

Chapter Law: Sections 8 and 9, 2020-2 (SB 596)

Corrects the name of the Clerks of the Court Trust Fund from “Clerk” to “Clerks.”

➤ Informal Conferences; Compromises

Effective Date: July 1, 2020

Statute Reference: Section 213.21, F.S.

Chapter Law: Section 24, 2020-10 (HB 7097, 2nd Eng.)

Provides that the period for filing a claim for certain refunds is tolled during a period in which a taxpayer is engaged in certain informal conference procedures.