

Ending County Local Business Taxes Across Florida

SB 122 – Sen. Jay Truenow (HB 103 – Rep. Adam Botana)

General Bill Summary

SB 122 repeals chapter 205, Florida Statutes, which currently authorizes counties and municipalities to levy and collect local business taxes, commonly issued as local business tax receipts. These taxes are assessed on businesses, professions, and occupations operating within a jurisdiction.

The bill eliminates the statutory framework governing local business taxes, including provisions related to classification schedules, exemptions, enforcement, and administrative procedures for counties and municipalities. As a result, local governments would no longer have authority under state law to impose or collect these taxes.

The legislation preserves a limited exception for municipalities that currently impose a gross-receipts-based tax on merchants. Those municipalities may continue to levy that tax but may only amend the definition of “merchant” by ordinance and may not increase the tax rate.

The bill also creates a new statutory provision recognizing these existing municipal merchant taxes and makes conforming changes throughout Florida law to remove references to chapter 205.

Potential County Impact

SB 122 has significant implications for county governments because it eliminates county authority to levy local business taxes, removing a longstanding local revenue source used by many counties to support general operations.

According to legislative staff analyses, Florida counties collectively generated over \$50 million annually from local business tax receipts in recent fiscal years. Repealing chapter 205 would immediately eliminate this revenue stream unless replaced through alternative funding mechanisms approved by the Legislature.

Counties would also need to repeal or substantially revise existing local ordinances that implement local business tax receipt programs. Administrative systems used for registration, enforcement, compliance tracking, and renewal of business tax receipts would become obsolete.

Operational impacts may include the loss of a regulatory tool historically used to identify and track businesses operating within the county. Counties could also experience indirect fiscal effects if existing interlocal agreements or fee structures rely on the local business tax framework.

Because the bill removes taxing authority rather than imposing new requirements, it does not create a direct unfunded mandate. However, counties could face budget adjustments due to the loss of recurring local revenue.

Effective Date

July 1, 2026.

Primary Statutory References

- **Chapter 205, F.S.**
- **s. 218.150, F.S.**

Key county-related provisions repealed or affected include:

- **s. 205.0315, F.S.**
- **s. 205.032, F.S.**
- **s. 205.033, F.S.**
- **s. 205.0535, F.S.**
- **s. 205.0536, F.S.**

Conforming amendments include sections such as:

- **s. 125.01047, F.S.**
- **s. 166.04465, F.S.**
- **s. 202.24, F.S.**
- **s. 213.0535, F.S.**
- **s. 213.055, F.S.**