

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [HB 103](#)

TITLE: Local Business Taxes

SPONSOR(S): Botana

COMPANION BILL: [SB 122](#) (Truenow)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Ways & Means](#)

11 Y, 6 N



[Intergovernmental Affairs](#)



[State Affairs](#)

SUMMARY

Effect of the Bill:

The bill repeals Chapter 205, F.S., removing the authority for local governments to levy a local business tax and makes conforming changes. The bill allows municipalities that impose a business tax on merchants measured by gross receipts to continue to impose the tax.

Fiscal or Economic Impact:

The Revenue Estimating Conference (REC) estimates the bill will not impact state government revenues and will have a recurring negative recurring impact of \$188.6 million on local government revenues beginning in Fiscal Year 2026-27 (-\$32.7 million counties; -\$155.9 million municipalities).

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ANALYSIS

EFFECT OF THE BILL:

The bill repeals Chapter 205, F.S., removing the authority for local governments to levy a [local business tax](#) (Section [1](#)). The bill creates [s. 218.150, F.S.](#), allowing certain municipalities to continue to impose the [business tax allowed under s. 205.044](#), F.S., a tax on merchants measured by the gross receipts from the sale of merchandise, services, or both (Section [2](#)). The bill also makes conforming changes to Florida Statutes to eliminate existing references to Chapter 205 (Sections [4-34](#)).

The bill is effective July 1, 2026.

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Revenue Estimating Conference estimates the bill will have a recurring negative impact of \$188.6 million on local government revenues beginning in Fiscal Year 2026-27 (-\$32.7 million counties; -\$155.9 million municipalities).

PRIVATE SECTOR:

The bill eliminates local business taxes, reducing the amount of taxes paid by businesses.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Local Business Tax](#)

STORAGE NAME: h0103a.WMC

DATE: 12/10/2025

The local business tax, authorized in Chapter 205, F.S., represents the fees charged and the method by which a local government authority grants the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. Counties and municipalities may levy a business tax, and the tax proceeds are treated as general revenue for the local government.¹ This tax does not refer to any regulatory fee or license paid to any board, commission, or officer for permits, registration, examination, or inspection.²

Local business taxes are sometimes colloquially referred to as “business tax receipts.” The term “receipt” refers to the document issued by the local governing authority that bears the words “Local Business Tax Receipt” and evidences that the person in whose name the document is issued has complied with the provisions of Chapter 205, F.S., relating to the business tax.³ The taxes are due and payable on or before September 30 of each year, and the receipts expire on September 30 of the succeeding year.⁴

A business may owe local business taxes at both the county and municipal level. [Section 205.065, F.S.](#) limits other local governments from levying a business tax when a business regulated by the Department of Business and Professional Regulation is performing a temporary or transitory work of service and that business has paid business tax in the county or municipality in which it has a permanent location.

History of Local Business Taxes

Prior to 1972, the state imposed an occupational license tax and shared the revenues with the counties. Municipalities levied their own occupational license taxes pursuant to local ordinances or resolutions. Counties had no authority to levy an occupational license tax until October 1, 1972, when Chapter 72-306, Laws of Florida, repealed the state tax and authorized both counties and cities to impose an occupational tax at the state or city rate then in effect. This system was codified under what was then known as the Local Occupational License Act. Chapter 2006-152, L.O.F., renamed the “Local Occupational License Tax Act” to the “Local Business Tax Act,” to clarify that the tax is purely a revenue measure and does not certify professional qualifications.

Local Business Tax Revenues

The revenues derived from the business tax imposed by county governments, exclusive of the costs of collection and any credit given for municipal business taxes, are apportioned between the county’s unincorporated area and the incorporated municipalities located within the county by a ratio derived by dividing each jurisdiction’s population by the county’s total population.⁵ Within 15 days following the month of receipt, the apportioned revenues are sent to each governing authority; however, this provision does not apply to counties that have established a new rate structure pursuant to [s. 205.0535, F.S.](#)⁶

The tax proceeds are considered general revenue for the county or municipality. Additionally, county business tax proceeds may be used to oversee and implement a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.⁷

In Local Fiscal Year 2023-24, the most recent year for which preliminary data is available, counties collected a total of \$27.5 million of local business tax revenue.⁸ In that same Local Fiscal Year, municipalities (excluding Panama City and Panama City Beach) collected a total of \$139.0 million of local business tax revenue. In Local Fiscal Year 2023-24, 255 municipalities and 35 counties reported collecting local business tax.⁹

[Panama City and Panama City Beach Local Business Taxes](#)

¹ Sections [205.033, F.S.](#), and [205.042, F.S.](#)

² Section [205.022\(5\), F.S.](#)

³ Section [205.022\(2\), F.S.](#)

⁴ *Id.*

⁵ Section [205.033\(4\), F.S.](#)

⁶ Section [205.033\(5\), F.S.](#)

⁷ Section [205.033\(7\), F.S.](#)

⁸ Revenue Estimating Conference Workpapers for HB 103, Impact Conference dated November 14, 2025, available at <https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2026/pdf/page84-87.pdf> (last visited November 20, 2025).

⁹ *Id.*

The cities of Panama City and Panama City Beach levy separate local business taxes on the gross sales of all retail and wholesale merchants within the municipal jurisdiction. These municipalities are the only local governments in Florida that levy a local business tax on the gross receipts of retail and wholesale merchants.

For retail merchants, the City of Panama City imposes a tax of \$10 for each \$1,000 (i.e. 1 percent) of gross sales with a minimum tax of \$1.50 per month. The tax imposed on wholesale merchants is \$0.50 for each \$1,000 of gross sales, or major fraction thereof (i.e. 0.05 percent) with a minimum tax of \$1.50 per month. The tax only applies to the first \$5,000 collected by a merchant for any single item of merchandise. Panama City reported collecting \$13.1 million in revenue Local Fiscal Year 2023-24.¹⁰

The City of Panama City Beach imposes a tax of \$10 for each \$1,000 (i.e. 1 percent) of gross sales with a minimum tax of \$50 per year for retail merchants. The tax imposed on wholesale merchants is \$1.50 for each \$1,000 of gross sales, or major fraction thereof (i.e. 0.15 percent) with a minimum tax of \$50 per year.¹¹ Panama City Beach reporting collecting \$20.5 million in revenue Local Fiscal Year 2023-24.¹²

BILL HISTORY				
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	11 Y, 6 N	12/10/2025	Aldridge	Hallaian
Intergovernmental Affairs Subcommittee				
State Affairs Committee				

¹⁰ Florida Department of Financial Services, Local Government Financial Data filed through the Florida Open Financial Statement System, 2024 Annual Financial Report for Panama City.

¹¹ Office of Economic and Demographic Research, 2024 Local Government Financial Information Handbook available at <https://edr.state.fl.us/Content/local-government/reports/lghih24.pdf> (last visited November 21, 2025).

¹² Florida Department of Financial Services, Local Government Financial Data filed through the Florida Open Financial Statement System, 2024 Annual Financial Report for Panama City Beach.