

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Sales and Use Tax  
**Issue:** Disabled Veteran Motor Vehicle Exemption  
**Bill Number(s):** HB 665

**Entire Bill**  
 **Partial Bill:**

**Sponsor(s):** Representative Daniels  
**Month/Year Impact Begins:** 07/01/2026  
**Date(s) Conference Reviewed:** 01/09/2026

### Section 1: Narrative

- a. **Current Law:** Section 212.08, F.S. provides exemptions from sales and use tax. There are no sales and use tax exemptions for 100% disabled veterans purchasing motor vehicles.
- b. **Proposed Change:** Section 212.08, F.S. is revised to provide a sales tax exemption for new motor vehicles purchased by a veteran of the armed forces with a service-connected disability rating of 100 percent who is a Florida Resident. To be eligible, the person seeking the exemption must complete a form prescribed by the Department of Revenue and submit required documentation.

### Section 2: Description of Data and Sources

[https://www.data.va.gov/dataset/FY-2023-Disability-Compensation-Recipients-by-Coun/5uqy-ph6a/about\\_data](https://www.data.va.gov/dataset/FY-2023-Disability-Compensation-Recipients-by-Coun/5uqy-ph6a/about_data)

December 2025 National Economic Estimating Conference

December 2025 Demographic Estimating Conference

<https://www.bls.gov/cex/tables/geographic/mean/2022/cu-state-fl-income-quintiles-before-taxes-2-year-average-2022.htm>

<https://www.thezebra.com/resources/driving/average-length-of-car-ownership/>

<https://www.bts.gov/content/new-and-used-passenger-car-sales-and-leases-thousands-vehicles>

<https://veteranshelpgroup.com/va-disability-100-va-disability-rating/>

### Section 3: Methodology (Include Assumptions and Attach Details)

There will be a negative impact to sales and use tax collections from the new tax exemption for 100% rated disabled veterans purchasing new motor vehicles. The number of 100% disabled veterans in Florida for the base year of FY 2023 was obtained from the US Department of Veteran Affairs. Next, that amount was grown to generate a FY 2026-27 through FY 2030-31 forecast. The low scenario used Florida population growth rates from the most recent Demographic Estimating Conference. The high scenario used a more aggressive growth rate consistent with a historical growth rate of 100% disabled veterans. The middle scenario growth rate is an average of the high and low scenarios. From there, assumptions were made for vehicles per household, vehicle turnover rate, and percentage of car sales that are new. The average price of new vehicles came from the most recent National Economic Estimating Conference. Finally, the negative impact from the new sales tax exemption was calculated by multiplying the number of disabled veterans by the vehicles per household, dividing by the vehicle turnover rate, multiplying by the percentage of vehicles purchases that are new vehicles vs used, multiplying by average price for each year, and multiplying by the 6% state sales and use tax rate. The cash analysis is adjusted for a one-month lag.

### Section 4: Proposed Revenue Impact

Sales Tax	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(22.0)	(24.0)	(18.2)	(19.9)	(14.9)	(16.3)
2027-28	(27.8)	(27.8)	(21.9)	(21.9)	(17.1)	(17.1)
2028-29	(33.1)	(33.1)	(24.8)	(24.8)	(18.3)	(18.3)
2029-30	(39.3)	(39.3)	(28.0)	(28.0)	(19.7)	(19.7)
2030-31	(46.8)	(46.8)	(31.8)	(31.8)	(21.2)	(21.2)

#### Revenue Distribution:

Sales Tax

**REVENUE ESTIMATING CONFERENCE**

**Revenue Source:** Sales and Use Tax

**Issue:** Disabled Veteran Motor Vehicle Exemption

**Bill Number(s):** HB 665

**Section 5: Consensus Estimate (Adopted: 01/09/2026)** The Conference adopted a modified middle estimate which uses a blend of the high (25%) and low (75%) disabled veterans growth rates.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(15.7)	(17.2)	(Insignificant)	(Insignificant)	(0.5)	(0.6)	(1.5)	(1.6)
2027-28	(18.5)	(18.5)	(Insignificant)	(Insignificant)	(0.6)	(0.6)	(1.8)	(1.8)
2028-29	(20.3)	(20.3)	(Insignificant)	(Insignificant)	(0.7)	(0.7)	(2.0)	(2.0)
2029-30	(22.4)	(22.4)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.1)	(2.1)
2030-31	(24.8)	(24.8)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.4)	(2.4)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(0.3)	(0.3)	(2.3)	(2.5)	(17.7)	(19.4)
2027-28	(0.3)	(0.3)	(2.7)	(2.7)	(20.9)	(20.9)
2028-29	(0.4)	(0.4)	(3.1)	(3.1)	(23.0)	(23.0)
2029-30	(0.4)	(0.4)	(3.3)	(3.3)	(25.3)	(25.3)
2030-31	(0.4)	(0.4)	(3.6)	(3.6)	(28.0)	(28.0)

Note: Per s. 212.054(2)(b)1., F.S., the sales amount above \$5,000 on any tangible personal property shall not be subject to the discretionary sales surtax levied by the governing body of any county.

A	B	C	D	E	F
1		<b>FI 100% Disabled Vets</b>			
2		2019	55,440		
3		2020	62,040	11.9%	
4		2021	70,858	14.2%	
5		2022	NA		
6		2023	110,401	55.8%	
7		AVG		18.0%	
8					
9		<b>Low</b>	<b>Middle</b>	<b>High</b>	<b>Adopted</b>
10	100% Disabled FI Veterans in 2023	110,401	110,401	110,401	110,402
11	<u>Growth Rates</u>				
12		FDEC	AVG	Vets Growth Rt	Modified Middle
13	2023-24	1.7%	6.8%	11.9%	6.8%
14	2024-25	1.6%	6.8%	11.9%	6.8%
15	2025-26	1.5%	6.7%	11.9%	6.7%
16	2026-27	1.4%	6.6%	11.9%	4.0%
17	2027-28	1.3%	6.6%	11.9%	3.9%
18	2028-29	1.2%	6.6%	11.9%	3.9%
19	2029-30	1.1%	6.5%	11.9%	3.8%
20	2030-31	1.1%	6.5%	11.9%	3.8%
21	<u>Estimated 100% Disabled FI Veterans</u>				
22	2023-24	112,234	117,889	123,544	117,890
23	2024-25	114,052	125,861	138,252	125,862
24	2025-26	115,785	134,309	154,710	134,310
25	2026-27	117,372	143,224	173,128	139,688
26	2027-28	118,862	152,658	193,738	145,176
27	2028-29	120,289	162,661	216,803	150,803
28	2029-30	121,648	173,262	242,612	156,569
29	2030-31	122,937	184,494	271,495	162,474
30	<u>Vehicles Per Household</u>	1.6	1.6	1.6	1.6
31	<u>Vehicle Turnover Rate (years)</u>	8	8	8	8
32	<u>% of Car Purchases That Are New Cars</u>	23.6%	23.6%	23.6%	23.6%
33	<u>Average Price New Light Vehicles (NEEC)</u>				
34	2026-27	\$ 48,904	\$ 48,904	\$ 48,904	\$ 48,904
35	2027-28	\$ 50,694	\$ 50,694	\$ 50,694	\$ 50,694
36	2028-29	\$ 53,798	\$ 53,798	\$ 53,798	\$ 53,798
37	2029-30	\$ 57,103	\$ 57,103	\$ 57,103	\$ 57,103
38	2030-31	\$ 60,858	\$ 60,858	\$ 60,858	\$ 60,858
39					
40	<u>Sales Tax Exemption</u>				
41		<b>Low</b>	<b>Middle</b>	<b>High</b>	<b>Adopted</b>
42	2026-27	\$ (16,267,355)	\$ (19,850,376)	\$ (23,995,007)	\$ (19,360,294)
43	2027-28	\$ (17,076,839)	\$ (21,932,303)	\$ (27,834,226)	\$ (20,857,253)
44	2028-29	\$ (18,340,172)	\$ (24,800,636)	\$ (33,055,455)	\$ (22,992,625)
45	2029-30	\$ (19,686,778)	\$ (28,039,774)	\$ (39,262,950)	\$ (25,338,228)
46	2030-31	\$ (21,203,602)	\$ (31,820,572)	\$ (46,826,016)	\$ (28,022,620)
47					
48					
49	<u># of Vehicles</u>				
50	2026-27	5,544	6,765	8,178	6,598
51	2027-28	5,614	7,211	9,151	6,857
52	2028-29	5,682	7,683	10,241	7,123
53	2029-30	5,746	8,184	11,460	7,395
54	2030-31	5,807	8,714	12,824	7,674
55					
56					

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Sales and Use Tax

**Issue:** Food Wholesalers Industrial Machinery and Equipment Exemption

**Bill Number(s):** HB 723

**Entire Bill**

**Partial Bill:** Section 1

**Sponsor(s):** Representative Abbott

**Month/Year Impact Begins:** July 1, 2026 (August 1, 2026 with collection lag)

**Date(s) Conference Reviewed:** 1/9/2026

### Section 1: Narrative

a. **Current Law:** Currently, section 212.08(7) Miscellaneous exemptions (iii) exempts machinery and equipment for businesses in NAICS 31, 32, 33, Manufacturing, 115114 Postharvest Crop Activities (except Cotton Ginning), and 423930 Recyclable Material Merchant Wholesalers, when meeting certain requirements. The first exemption existed as temporary from April 30, 2014 to April 30, 2017, codified by Chapter 2013-39, L.O.F. (HB 7007) The three exemptions were codified as permanent by Chapter 2016-220, L.O.F. (HB7099). There are no exemptions from sales tax for wholesalers, other than NAICS 423930.

Chapter 2022-97, L.O.F. (HB7071) provided an exemption from sales tax for machinery and equipment for the production of electrical or steam energy resulting from the burning of hydrogen. Chapter 2023-157, L.O.F. (HB7063) provided for a sales tax exemption for machinery and equipment that is primarily used in the production, storage, transportation, compression or blending of renewable natural gas.

Additionally, exempt are: machinery and equipment for new and expanding businesses, items used in manufacturing and fabricating aircraft and gas turbine engines, People Mover Systems purchased by Government Contractors and parts used in the manufacturing, Equipment used in aircraft repair and maintenance, machinery and equipment used primarily for pollution control, by new and expanding businesses, used to produce electricity primary use manufacturing, or in semiconductor, defense, and space technology.

The building housing the equipment and heating and air conditioning systems are specifically subject to sales and use tax currently since neither are considered to be machinery and equipment, as specified in 212.08(7)(iii)2.e.. However, there is a caveat clause that may allow manufacturers to claim the exemption for buildings or HVAC systems:

Building: "... unless the building or structural component is so closely related to the industrial machinery and equipment that it houses or supports that the building or structural component can be expected to be replaced when the machinery and equipment are replaced."

and

HVAC: "... unless the sole justification for their installation is to meet the requirements of the production process, even though the system may provide incidental comfort to employees or serve, to an insubstantial degree, nonproduction activities."

In Florida, a food wholesaler (manufactured food) is subject to the Florida Department of Agriculture and Consumer Services' licensing. Businesses that typically fall into the wholesale category include: wholesale bakeries, food storage warehouses, bottling plants, canning plants, seafood processors and other food processors. A meat food wholesaler is subject to the U.S. Food and Drug Administration licensing.

There is no definition of "wholesaler" in Chapter 212. All sales, use etc. of tangible personal property are subject to the sales and use tax, unless an exemption exists.

Section 500.03, Definitions, of Title XXXIII, REGULATION OF TRADE, COMMERCE, INVESTMENTS, AND SOLICITATIONS, defines "food establishment" as: "a factory, food outlet, or other facility manufacturing, processing, packing, holding, storing, or preparing food or selling food **at wholesale or retail**. The term does not include a business or activity regulated under s. 413.051, s. 500.80, chapter 509, or chapter 601. The term includes tomato packinghouses and repackers but does not include any other establishments that pack fruits and vegetables in their raw or natural states, including those fruits or vegetables that are washed, colored, or otherwise treated in their unpeeled, natural form before they are marketed."

Also, effective October 1, 2025, the state sales tax on rentals, leases, or licenses to use real property was eliminated.

## REVENUE ESTIMATING CONFERENCE

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**Bill Number(s):** HB 723

**b. Proposed Change:** The bill adds paragraph (w) to subsection (5) EXEMPTIONS; ACCOUNT OF USE of section 212.08, Sales, rental, use, consumption, distribution, and storage tax; specified exemptions, F. S. that exempts the rental, the use, the consumption, the distribution, and the storage of industrial machinery and equipment used by "food wholesalers" in fiscally constrained counties. The bill is interpreted to exempt the leasing of such equipment as well.

Fiscally constrained counties are defined as those "entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or a county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1.

"Food establishment" has the same meaning as in s. 500.03.

"Industrial machinery" is defined as tangible personal property or other property that has a depreciable life of at least 3 years and that is used as an integral part in the manufacturing, processing, packing, holding, production, or sale of wholesale food products. The term includes a building and its structural components, including heating and air-conditioning systems."

The purchaser must show a certificate to the seller for the exemption.

The proposed change adds buildings and HVAC systems to the machinery and equipment exemptions for food establishments. Since the definition of "food establishments" does not include "distribution", it is not clear if the bill is targeted at wholesalers in NAICS 42, wholesale, or only at establishments in NAICS 31-33, manufacturing. Since the definition of "food wholesaler" points to the definition of "food establishment", which is defined as selling at "wholesale or retail", it is not clear what the pool of eligible entities would be and whether they can be entities only selling at retail.

### Section 2: Description of Data and Sources

Rural Economic Development Initiative Designation Project, Florida Department of Commerce, Office of Rural Initiatives, <https://www.floridajobs.org/docs/default-source/office-of-rural-initiatives/cy-2024-rural-communities-analysis.pdf>

### Section 3: Methodology (Include Assumptions and Attach Details)

For reference, the machinery and equipment exemption in 212.08(7)(iii) for NAICS 31-33 is estimated at \$100.8 million in FY 2025-26 in the 2024 Florida Tax Handbook.

In the report "Grocery Wholesaling in the US, NAICS 42441", IBS World remarks that as wholesalers invest in assets and automation, to manage these costs, wholesalers are "opting to lease rather than purchase vehicles and machinery and extending asset lifespans through maintenance." The report also notes that rent for warehouses and distribution centers is a major fixed expense for grocery wholesalers.

A building and its structural components are not industrial machinery and equipment unless the building or structural component is so closely related to the industrial machinery and equipment that it houses or supports that the building or structural component can be expected to be replaced when the machinery and equipment are replaced. Heating and air-conditioning systems are not industrial machinery and equipment unless the sole justification for their installation is to meet the requirements of the production process, even though the system may provide incidental comfort to employees or serve, to an insubstantial degree, nonproduction activities. The term includes parts and accessories only to the extent that the exemption thereof is consistent with the provisions of this paragraph. The bill changes this and includes buildings and its structural components, including HVAC systems for food wholesalers as exempt items. However, a building is real property, not tangible personal property.

If the bill's target industry is food manufacturing in NAICS 31, which may sell at retail or wholesale, then there may be an overlap with the current exemption for all of manufacturing. The only differentially new exemption will be for buildings and HVAC systems only for fiscally constrained counties and only in food manufacturing/ wholesaling.

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Sales and Use Tax

**Issue:** Food Wholesalers Industrial Machinery and Equipment Exemption

**Bill Number(s):** HB 723

The following counties (FCCs) are assumed to meet the eligibility definition in the bill. The data are from the preliminary 2025 tax roll.

### **Fiscally Constrained Counties for Which the Value of 1 Mill Will Raise \$5 million in Revenue or Less or Are a Rural Areas of Opportunity**

#	School District	2025 Preliminary School District Taxable Value: All Property	2025 Total Value of 1 Mill Levy	FY 2024-25 Rural Area of Opportunity
2	Baker	1,817,564,160	1,817,564	Yes
4	Bradford	1,772,392,985	1,772,393	Yes
7	Calhoun	776,053,861	776,054	Yes
12	Columbia	5,184,189,542	5,184,190	Yes
13	DeSoto	3,092,559,778	3,092,560	Yes
14	Dixie	913,435,693	913,436	Yes
18	Franklin	4,414,615,553	4,414,616	Yes
19	Gadsden	2,910,023,934	2,910,024	Yes
20	Gilchrist	1,680,155,309	1,680,155	Yes
21	Glades	1,314,107,939	1,314,108	Yes
22	Gulf	4,753,713,273	4,753,713	Yes
23	Hamilton	1,388,646,329	1,388,646	Yes
24	Hardee	3,604,708,495	3,604,708	Yes
25	Hendry	5,200,754,878	5,200,755	Yes
27	Highlands	9,804,687,149	9,804,687	Yes*
29	Holmes	867,368,458	867,368	Yes
31	Jackson	2,658,039,246	2,658,039	Yes
32	Jefferson	1,308,597,076	1,308,597	Yes
33	Lafayette	429,569,925	429,570	Yes
37	Levy	3,948,181,048	3,948,181	Yes
38	Liberty	418,225,790	418,226	Yes
39	Madison	1,495,478,700	1,495,479	Yes
47	Okeechobee	5,333,583,918	5,333,584	Yes
54	Putnam	8,524,056,990	8,524,057	Yes*
61	Suwannee	3,474,915,045	3,474,915	Yes
62	Taylor	2,049,095,735	2,049,096	Yes
63	Union	457,812,906	457,813	Yes
65	Wakulla	2,902,362,504	2,902,363	Yes
67	Washington	1,734,599,184	1,734,599	Yes

\* County with population of 125,000 or fewer, contiguous to a county with population of 75,000 or fewer.

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### Method I – Taxable Purchases

Taxable purchases – use tax collections (Type B) for the following kind codes from an EDR sales tax by kind code database are used. Some of the activity in these kind codes is retail; however, it cannot be separated from wholesale.

Kind Code	Kind Code Title	Category
1	Grocery Stores, Convenience Stores	Consumer Non-Durables
2	Meat Markets	Consumer Non-Durables
3	Seafood Markets	Consumer Non-Durables
4	Fruit & Vegetable Stands	Consumer Non-Durables
5	Bakeries	Consumer Non-Durables
51	House, Cattle, & Pet Dealers, Equipment & Supplies	Consumer Non-Durables
54	Storage & Warehousing	Consumer Non-Durables
63	Manufacturing & Refining, Processing, Mining	Business Investment
64	Soft Drink Bottlers, Beer Bottlers	Consumer Non-Durables
80	Wholesale Dealers	Business Investment

Calculation steps are as follows.

1. Sales (Use) tax paid on purchases (sales tax final liability) in FCCs for the above codes was used to estimate current activity.
2. The tax collections are grown by the long-term growth rate of sales tax final liability in the business investment category (2.7%).
3. It is assumed that only a share (70%) of the collections in these kind codes are from businesses that would meet the eligibility requirements of a “food wholesaler.”
4. It is also assumed that only a share of the use tax paid is for machinery and equipment (50%).

### Method II

1. Property tax - Just Value of Furniture/Fixtures/Equipment from the DOR 2025 Tax Roll for businesses in specific NAICS codes in FCCs were pulled.
2. A subset of these industries' just value is used under the assumption that they meet the eligibility requirements for a food wholesaler. Entities in manufacturing (31-33) were excluded since they are already eligible for the current exemption for machinery and equipment.
3. Just value was grown by the long-term growth rate of sales tax final liability in the business investment category (2.7%).
4. Two assumptions for replacement cycles were used: 3-year and 5-year.

The estimate from Method I represents the high, the 3-year replacement from Method II is the middle, and the 5-year replacement from Method II is the low.

No assumptions were made about buildings and structures and HVAC systems being exempted.

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Sales and Use Tax

**Issue:** Food Wholesalers Industrial Machinery and Equipment Exemption

**Bill Number(s):** HB 723

### Section 4: Proposed Revenue Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(1.7)	(1.8)	(0.6)	(0.6)	(0.4)	(0.4)
2027-28	(1.9)	(1.9)	(0.6)	(0.6)	(0.4)	(0.4)
2028-29	(1.9)	(1.9)	(0.6)	(0.6)	(0.4)	(0.4)
2029-30	(2.0)	(2.0)	(0.6)	(0.6)	(0.4)	(0.4)
2030-31	(2.0)	(2.0)	(0.7)	(0.7)	(0.4)	(0.4)

**Revenue Distribution:**

**Section 5: Consensus Estimate (Adopted: 01/09/2026)** The Conference adopted a negative indeterminate estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2027-28	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2028-29	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2029-30	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2030-31	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

**HB 723****Food Wholesalers Industrial Machinery and Equipment Exemption****1/9/2026**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	(1.7)	(1.8)	(0.6)	(0.6)	(0.4)	(0.4)
2027-28	(1.9)	(1.9)	(0.6)	(0.6)	(0.4)	(0.4)
2028-29	(1.9)	(1.9)	(0.6)	(0.6)	(0.4)	(0.4)
2029-30	(2.0)	(2.0)	(0.6)	(0.6)	(0.4)	(0.4)
2030-31	(2.0)	(2.0)	(0.7)	(0.7)	(0.4)	(0.4)

**HB 723**

**Food Wholesalers Industrial Machinery and Equipment Exemption**

**1/9/2026**

**LEVERS**

70.0%	Percent eligible as Food Wholesalers
50.0%	Percent eligible expenses for machinery and equipment
5	Replacement cycle (years)
2.7%	Growth (business investment sales tax liability)

liabb variable in kindcode database

Kind codes: 1, 2, 3, 4, 5, 51, 54, 63, 64, 80.

FY Ending in	Sales Tax (USE/ TYPE B) Final Liability	Eligible as Wholesale	Eligible expenses for machinery and equipment
2016	6,642,226	4,649,558	2,324,779
2017	6,162,222	4,313,555	2,156,778
2018	5,616,405	3,931,484	1,965,742
2019	6,413,248	4,489,274	2,244,637
2020	6,042,292	4,229,604	2,114,802
2021	5,216,609	3,651,626	1,825,813
2022	5,470,575	3,829,403	1,914,702
2023	7,281,368	5,096,958	2,548,479
2024	4,962,884	3,474,019	1,737,010
2025	4,911,603	3,438,122	1,719,061
2026	5,017,510	3,512,257	1,756,129
2027	5,152,982	3,607,087	1,803,544
2028	5,292,113	3,704,479	1,852,240
2029	5,435,000	3,804,500	1,902,250
2030	5,581,745	3,907,222	1,953,611
2031	5,732,452	4,012,716	2,006,358
2032	5,887,228	4,121,060	2,060,530
2033	6,046,183	4,232,328	2,116,164
2034	6,209,430	4,346,601	2,173,301
2035	6,377,085	4,463,960	2,231,980

**HB 723**  
**Food Wholesalers Industrial Machinery and Equipment Exemption**  
**1/9/2026**

**LEVERS**

70.0%	Percent eligible as Food Wholesalers
50.0%	Percent eligible expenses for machinery and equipment
3	Replacement cycle (years)
5	Replacement cycle (years)
2.7%	Growth (business investment sales tax liability)

Just Value Furniture/Fixtures/Equipment (2025 Tax Roll)  
Fiscally Constrained Counties

Industry	Industry Title	Furniture/Fixtures/Equipment Just Value	# Observations
NAICS Code 115114	Postharvest Crop Activities (except Cotton Ginning)	5,294,653	11
NAICS Code 1152	Support Activities for Animal Production	558,252	26
NAICS Codes 31-33	Manufacturing	2,602,732,207	1463
NAICS Code 311	Food Manufacturing	513,114,261	141
NAICS Code 31211	Soft Drink and Ice Manufacturing	132,906,465	171
NAICS Code 42	Wholesale Trade	161,084,884	893
NAICS Codes 4244 and 4245 Only	Grocery and Related Product Merchant Wholesalers and Farm Product Raw Material Merchant Wholesalers	27,222,232	169

**Eligible food wholesalers**

NAICS Code 1152	Support Activities for Animal Production	558,252	26
NAICS Codes 4244 and 4245 Only	Grocery and Related Product Merchant Wholesalers and Farm Product Raw Material Merchant Wholesalers	27,222,232	169

FY Ending in	Furniture/Fixtures/Equipment	Replacement Cycle	
		3-Year	5-Year
2025	27,780,484		
2026	28,530,557		
2027	29,300,882	9,766,961	5,860,176
2028	30,092,006	10,030,669	6,018,401
2029	30,904,490	10,301,497	6,180,898
2030	31,738,911	10,579,637	6,347,782
2031	32,595,862	10,865,287	6,519,172
2032	33,475,950	11,158,650	6,695,190
2033	34,379,801	11,459,934	6,875,960
2034	35,308,055	11,769,352	7,061,611
2035	36,261,373	12,087,124	7,252,275

Sales Tax (Use Tax)	FY Ending in	Replacement Cycle	
		3-Year	5-Year
	2025		
	2026		
	2027	586,018	351,611
	2028	601,840	361,104
	2029	618,090	370,854
	2030	634,778	380,867
	2031	651,917	391,150
	2032	669,519	401,711
	2033	687,596	412,558
	2034	706,161	423,697
	2035	725,227	435,137

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Trust Funds / Fees

**Issue:** Medical Marijuana Use Registry Identification Cards for Veterans

**Bill Number(s):** SB 974/ HB 887

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Truenow/ Representative Valdés

**Month/Year Impact Begins:** July 1, 2026

**Date(s) Conference Reviewed:** January 9, 2026

### Section 1: Narrative

a. **Current Law:** Florida residents, regardless of veteran status, may use medical marijuana only if a licensed physician issues them a certification based on a number of requirements and if the resident applies and receives a medical marijuana registry ID card from the Florida Department of Health.

Section 381.986 (7)(d), F.S. (2025) authorizes the Department of Health to charge a reasonable fee for the issuance, replacement, and renewal of medical marijuana identification cards for **qualified patients** and **caregivers** who are residents of this state, which must be renewed annually. The department shall allocate \$10 of the identification card fee to the Division of Research at Florida Agricultural and Mechanical University for the purpose of educating minorities about marijuana for medical use and the impact of the unlawful use of marijuana on minority communities. The statute does not stipulate an exact amount of the fee, but gives DOH authority to charge a reasonable fee. It does not seem that the section gives authority to DOH to charge a fee "sufficient to cover the costs of implementing and administering" the program as it does for the licensure fee paid by a medical marijuana treatment center. However, the ID card issuance is outsourced to a vendor.

The issuance and renewal processing fees for qualified patients and caregivers are currently set at \$75.00 by the Department of Health in administrative rule 64-4.011. There are other processing fees that may be incurred including a replacement fee. The ID cards expire one year after the qualified physician's initial order. The renewal application may be submitted 45 days before the card expires.

381.986 (1)(m), F.S. (2025) defines a "Qualified patient" as "a resident of this state who has been added to the medical marijuana use registry by a qualified physician to receive marijuana or a marijuana delivery device for a medical use and who has a qualified patient identification card." Temporary Florida residents, e.g. "snowbirds" can also apply for and obtain ID cards, as long as they meet the requirements to prove Florida residency.

Section 1.01 (14), F.S. (2025) defines the term "veteran" as follows. "The term "veteran" means a person who served in the active military, naval, or air service and who was discharged or released under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the United States Department of Veterans Affairs on individuals discharged or released with other than honorable discharges."

Code of Federal Regulations, Title 38, Chapter I, Part 3, Subpart A, General, §3.1 Definitions states the following, "Veteran means a person who served in the active military, naval, air, or space service and who was discharged or released under conditions other than dishonorable" (<https://www.ecfr.gov/current/title-38/chapter-I/part-3/subpart-A/subject-group-ECFRf5fe31f49d4f511/section-3.1> ).

The possible types of discharge on DD Form 214 are: Honorable, General (Under Honorable Conditions), Under Other Than Honorable Conditions, Bad Conduct, Dishonorable/Dismissal, and Uncharacterized. Service members who receive an honorable characterization of service are eligible for all Department of Veterans Affairs (VA) benefits and services. Service members who receive a general (under honorable conditions)<sup>1</sup> characterization of service are eligible for most VA benefits and services, whereas service members who are discharged with a lesser characterization may not be eligible for any VA benefits and services.

For Veterans Administration benefits purposes, "veteran" may include an even broader count of the types of discharges, sometimes on a case by case basis. Also, VA benefits determination does not change the original military discharge status. According to the Veterans Administration, to receive VA benefits and services, the Veteran's character of discharge or service must be under other than dishonorable conditions (e.g., honorable, under honorable conditions, general).

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<sup>1</sup> GAO Source: <https://www.gao.gov/assets/gao-25-107354.pdf>

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Trust Funds / Fees

**Issue:** Medical Marijuana Use Registry Identification Cards for Veterans

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However, individuals receiving undesirable, bad conduct, and other than honorable discharges may qualify for VA benefits depending on a determination made by VA. An amended rule was issued in June 2024, which expands the eligibility for VA benefits ([www.benefits.va.gov](http://www.benefits.va.gov)).

VA health care will not pay for medical marijuana certifications as federal law still officially classifies marijuana as a Schedule One Controlled Substance under the Controlled Substances Act. VA clinicians may not write certifications for medical marijuana. VA health care providers will record marijuana use in the Veteran's VA medical record.

**b. Proposed Change:** Senate Bill 974 reduces the fees to \$15 annually for the issuance of a medical marijuana registry ID card for veterans who are qualified patients as defined in s. 1.01(14). The bill is silent as to whether caregivers who are veterans may also be allowed to pay a reduced fee.

### Section 2: Description of Data and Sources

- REC impact, SB 552, S. 1 - Fee Waiver for Veterans , 2/21/2025, [https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/\\_pdf/page46-50.pdf](https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/_pdf/page46-50.pdf)
- Department of Health, Office of Medical Marijuana Use (OMMU): 2020-2025 OMMU Updates, <https://knowthefactsmmj.com/>
- Florida Demographic Estimating Conference, December 2025, population 18 and over.
- Florida Department of Health, Office of Medical Marijuana, OMMU: Medical Marijuana Use Registry (MMUR) Identification Cards webpage (application and fees)
- U.S. Census Bureau, 2024 American Community Survey (ACS) 1-Year Estimates
- US Department of Veterans Affairs, National Center for Veterans Analysis and Statistics, VetPop2023 Population Model, Table 6L: VETPOP2023 LIVING VETERANS BY STATE, AGE GROUP, SEX, 2023-2053, [https://www.va.gov/vetdata/Veteran\\_Population.asp](https://www.va.gov/vetdata/Veteran_Population.asp), [https://www.va.gov/VETDATA/docs/Demographics/New\\_Vetpop\\_Model/6L\\_VetPop2023\\_State\\_NCVAS.xlsx](https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/6L_VetPop2023_State_NCVAS.xlsx)
- US Government Accountability Office, Report to Congressional Committees, July 2025, MILITARY DISCHARGE Actions Needed to Help Ensure Consistent and Timely Upgrade Decisions, <https://www.gao.gov/assets/gao-25-107354.pdf> .
- U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality, 2022 National Survey on Drug Use and Health: Among the Veteran Population Aged 18 or Older, November 18, 2025, <https://www.samhsa.gov/data/sites/default/files/reports/rpt44472/2022-nsduh-pop-slides-veterans.pdf> .

### Section 3: Methodology (Include Assumptions and Attach Details)

The Office of Medical Marijuana Use (OMMU) provides weekly data on the number of qualified patients (active ID cards). OMMU does not collect data to identify whether a medical marijuana patient is a veteran.

1. Population data was gathered as follows:

- a. **Population of veterans in Florida**, including projections through September 2030, from the US Department of Veterans Affairs, National Center for Veterans Analysis and Statistics. The data are as of September of each year, which was assumed to correspond to the beginning of state fiscal year. The center provides data by age group, e.g. < 20, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, 80-84, 85+. According to the center, its veteran population model is "widely used both inside and outside of VA as the official estimate and projection of the total number of Veterans and their demographic and military characteristics."<sup>2</sup> The minimum enlistment age for the military is 17 with parental consent and 18 without a parental consent. Medical marijuana certifications can be issued to qualified patients ages 18 and older and to qualified patients less than 18 with parental consent. This analysis uses Florida veterans population – all ages in the analysis.
- b. **Discharge from the military** by military branch by type from a report by the US Government Accountability Office. Data for Space Force was omitted in the analysis, but is available. This analysis interprets the Florida statutory definition of veteran to include "honorable: discharge and "general under honorable conditions" discharge, and also upgraded discharges ("who later received an upgraded discharge under honorable conditions").

<sup>2</sup> US Department of Veterans Affairs, [https://www.va.gov/VETDATA/docs/Demographics/New\\_Vetpop\\_Model/VP23\\_briefdesc.pdf](https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/VP23_briefdesc.pdf)

## REVENUE ESTIMATING CONFERENCE

**Revenue Source:** Trust Funds / Fees

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- c. Florida residents: Florida Demographic Estimating Conference, population 18 and older.
- d. **Medical Marijuana Users in Florida/ Qualified patients** with active ID cards from the Department of Health, Office of Medical Marijuana Use. From these weekly data, fiscal year averages were created. Since fiscal year 2025-26 is not complete, the remainder of FY 2025-26 is estimated using over-the-year growth rates from the past year. ID Cards were forecast for FY 2026-27 as well, using again a growth rate from the past year. Annual growth rates in ID cards were in the single digits in FY 2024-25 for a first time since inception.
- 2. Data on veterans' use of marijuana from the 2022 National Survey on Drug Use and Health: Among the Veteran Population Aged 18 or Older was used to determine what share of veterans may be using medical marijuana. The NSDUH estimates illicit drug use, including marijuana.
- 3. An estimate of veterans users of medical marijuana was developed using three methods.
  - a. **Eighteen percent (18.2%) of veterans** have used marijuana in the past year according to the 2022 National Survey on Drug Use and Health: Among the Veteran Population Aged 18 or Older. This use is considered illicit since this is a federal survey, but some of it would be medical. This percentage is applied to the Florida veterans population to estimate current illicit use of marijuana in Florida "within the past year". It is estimated that approximately 250,000 veterans resident of Florida have used marijuana illicitly "within the past year" (high).
  - b. **Fourteen percent (13.9%) of veterans** have used marijuana in the past month according to the 2022 National Survey on Drug Use and Health: Among the Veteran Population Aged 18 or Older. This use is considered illicit since this is a federal survey, but some of it would be medical. This percentage is applied to the Florida veterans population to estimate current illicit use of marijuana in Florida "within the past month". It is estimated that approximately 200,000 veterans resident of Florida have used marijuana illicitly "within the past month" (middle).
  - c. **Five percent (4.9%) of Florida residents 18 and older** are current active medical marijuana ID card holders. This disregards the fact that some card holders may be less than 18 years of age. This percentage is applied to the number of Florida veterans to estimate veterans with active medical marijuana ID cards. It is estimated that approximately 70,000 veterans would have active ID cards (low).
- 4. Revenues from fees collected from issuance, renewal, etc. of medical marijuana registry ID cards was estimated by multiplying the number of active patient ID cards by the \$75 annual fee.
- 5. Revenues from fees paid by veterans at the current \$75 fee were calculated.
- 6. Revenues from fees paid by veterans at the reduced \$15 fee were calculated.
- 7. A loss to DOH was calculated for each of the three scenarios. The high and middle scenarios most likely overestimate the fee collected at current rates, the fees collected at reduced rates, and the loss since the method used to estimate them includes illicit use. Only part of the illicit use would be for medical marijuana.

The bill is silent on whether the fee reduction will apply to caregivers who might be veterans. OMMU does not publish data on caregivers. This analysis did not develop an estimate of fees for caregiver ID cards.

This analysis does not take into account any additional fees that may be incurred by the ID card holder, such as: replacement fee (\$15.00), convenience fee (\$2.75), and returned/declined payment fee (\$15.00).

### Section 4: Proposed Revenue Impact

Millions of Dollars

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	-14.8	-14.8	-11.3	-11.3	-4.0	-4.0
2027-28	-14.5	-14.5	-11.1	-11.1	-3.9	-3.9
2028-29	-14.3	-14.3	-10.9	-10.9	-3.9	-3.9
2029-30	-14.1	-14.1	-10.7	-10.7	-3.8	-3.8
2030-31	-13.8	-13.8	-10.6	-10.6	-3.7	-3.7

### List of affected Trust Funds:

Grants and Donations Trust Fund (Fund #2339) at the Department of Health, pursuant to section 381.986(16), F.S.

**REVENUE ESTIMATING CONFERENCE**

**Revenue Source:** Trust Funds / Fees

**Issue:** Medical Marijuana Use Registry Identification Cards for Veterans

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**Section 5: Consensus Estimate (Adopted: 01/09/2026)** The Conference adopted a modified low estimate that increased the percentage to include an expectation that the veteran population represents a greater share of card holders.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2025-26	(0.5)	(0.5)	(5.7)	(5.7)	0.0	0.0	(6.2)	(6.2)
2026-27	(0.5)	(0.5)	(5.6)	(5.6)	0.0	0.0	(6.1)	(6.1)
2027-28	(0.5)	(0.5)	(5.5)	(5.5)	0.0	0.0	(6.0)	(6.0)
2028-29	(0.5)	(0.5)	(5.4)	(5.4)	0.0	0.0	(5.9)	(5.9)
2029-30	(0.5)	(0.5)	(5.4)	(5.4)	0.0	0.0	(5.9)	(5.9)

**SB 974/ HB 887****Medical Marijuana Use Registry Identification Cards for Veterans****1/9/2026**

	High		Middle		Low		Adopted	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	-14.8	-14.8	-11.3	-11.3	-4.0	-4.0	-6.2	-6.2
2027-28	-14.5	-14.5	-11.1	-11.1	-3.9	-3.9	-6.1	-6.1
2028-29	-14.3	-14.3	-10.9	-10.9	-3.9	-3.9	-6.0	-6.0
2029-30	-14.1	-14.1	-10.7	-10.7	-3.8	-3.8	-5.9	-5.9
2030-31	-13.8	-13.8	-10.6	-10.6	-3.7	-3.7	-5.9	-5.9

	A	B	C	D	E	F	G
1							
2		<b>SB 974/ HB 887</b>					
3		<b>Medical Marijuana Use Registry Identification Cards for Veterans</b>					
4		<b>1/9/2026</b>					
5							
6		1. Populations					
7	a.	Veteran Population in Florida					
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18		Source: Table 6L: VETPOP2023 LIVING VETERANS BY STATE, AGE GROUP, SEX, 2023-2053					
19		<a href="https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/6L_VetPop2023_State_NCVAS.xlsx">https://www.va.gov/VETDATA/docs/Demographics/New_Vetpop_Model/6L_VetPop2023_State_NCVAS.xlsx</a>					
20							
21	b.	Types of Discharge from the Military					
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32		• US Government Accountability Office, Report to Congressional Committees, July 2025,					
33		MILITARY DISCHARGE Actions Needed to Help Ensure Consistent and Timely Upgrade Decisions,					
34		<a href="https://www.gao.gov/assets/gao-25-107354.pdf">https://www.gao.gov/assets/gao-25-107354.pdf</a> .					
35							
36		Types of Discharge from the Military - Share of Total					
37							
38							
39							
40							
41							
42		Source: US Government Accountability Office, Report to Congressional Committees, July 2025					
43		MILITARY DISCHARGE Actions Needed to Help Ensure Consistent and Timely Upgrade Decisions					
44		<a href="https://www.gao.gov/assets/gao-25-107354.pdf">https://www.gao.gov/assets/gao-25-107354.pdf</a>					

	A	B	C	D	E	F	G
45	c.	Florida Residents					
46	47	FY Ending in:	18 Years and Older	Percent Change over Prior Year			
48	2025	18,753,506					
49	2026	19,052,968	1.6%				
50	2027	19,328,881	1.4%				
51	2028	19,589,105	1.3%				
52	2029	19,839,511	1.3%				
53	2030	20,078,208	1.2%				
54	2031	20,301,051	1.1%				
55							
56							
57	d.	Medical Marijuana Users in Florida					
58	Patient ID Cards						
59	FY Ending in:	All Ages	Percent Change over Prior Year				
60	2019	237,729					
61	2020	299,085	25.8%				
62	2021	468,321	56.6%				
63	2022	657,821	40.5%				
64	2023	779,971	18.6%				
65	2024	863,195	10.7%				
66	2025	896,848	3.9%				
67	2026	934,500	4.2%	Partial estimate			
68	2027	970,759	3.9%	Estimate			
69	Note: FY 2025-26 is estimated for January-June						
70							
71	2	Veterans in the United States - Use of Marijuana					
72	Veterans Aged 18 or Older (United States)						
73							
74							
75							
76							
77							
78							
79							
	Use of Marijuana Ages 18 Years and Older						

	A	B	C	D	E	F	G
80		3 Florida Veterans All Ages Using Medical Marijuana - Estimation					
81							
82							
83							
84							
85							
86							
87							
88							
89							
90							
91							
92							
93							
94		4 Patient ID Card Revenue					
95							
96		ESTIMATED Florida Medical Marijuana Patient ID Revenue					
97		Note: EDR estimate, excludes Caregiver ID Card revenue					
98		\$ 75.00					
99							
100		2019	17,829,675				
101		2020	22,431,375				
102		2021	35,124,075				
103		2022	49,336,575				
104		2023	58,497,825				
105		2024	64,739,625				
106		2025	67,263,600				
107		2026	70,087,500	Partial estimate			
108		2027	72,806,925	Full estimate			
109							
110		5 Florida Veterans					
111		Current Fee \$ 75.00					
112							
113		FY Ending in:	High	Middle	Low	Adopted	
114		2025	\$ 19,049,925	\$ 14,549,175	\$ 5,133,825	\$ 7,700,700	
115		2026	\$ 18,817,500	\$ 14,371,575	\$ 5,071,125	\$ 7,606,725	
116		2027	\$ 18,583,425	\$ 14,192,850	\$ 5,008,050	\$ 7,512,075	
117		2028	\$ 18,349,950	\$ 14,014,500	\$ 4,945,125	\$ 7,417,725	
118		2029	\$ 18,117,825	\$ 13,837,275	\$ 4,882,575	\$ 7,323,900	
119		2030	\$ 17,885,400	\$ 13,659,750	\$ 4,819,950	\$ 7,229,925	
120		2031	\$ 17,653,950	\$ 13,482,975	\$ 4,757,550	\$ 7,136,400	
121							

A	B	C	D	E	F	G
122	6 Florida Veterans					
123	Reduced Fee	\$ 15.00				
124						
125	FY Ending in:	High	Middle	Low	Adopted	
126	2025	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,540,140	
127	2026	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,521,345	
128	2027	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,502,415	
129	2028	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,483,545	
130	2029	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,464,780	
131	2030	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,445,985	
132	2031	\$ 3,809,985	\$ 2,909,835	\$ 1,026,765	\$ 1,427,280	
133						
134	<b>7 Loss to Trust Funds/ Fees</b>					
135	FY Ending in:	High	Middle	Low	Adopted	
136	2025	\$ (15,239,940)	\$ (11,639,340)	\$ (4,107,060)	\$ (6,160,560)	
137	2026	\$ (15,007,515)	\$ (11,461,740)	\$ (4,044,360)	\$ (6,085,380)	
138	2027	\$ (14,773,440)	\$ (11,283,015)	\$ (3,981,285)	\$ (6,009,660)	
139	2028	\$ (14,539,965)	\$ (11,104,665)	\$ (3,918,360)	\$ (5,934,180)	
140	2029	\$ (14,307,840)	\$ (10,927,440)	\$ (3,855,810)	\$ (5,859,120)	
141	2030	\$ (14,075,415)	\$ (10,749,915)	\$ (3,793,185)	\$ (5,783,940)	
142	2031	\$ (13,843,965)	\$ (10,573,140)	\$ (3,730,785)	\$ (5,709,120)	