



January 16, 2026

Via Email Delivery

The Honorable Adam Botana
Florida House of Representatives
303 House Office Building
402 S. Monroe St.
Tallahassee, FL 32399-1300

Re: HB 103 Local Business Tax on House Intergovernmental Affairs Subcommittee agenda 1-20-2026

Dear Representative Botana:

Thank you for the opportunity to share our concerns regarding HB 103 Local Business Tax (LBT) revenues. HB 103 seeks to repeal the ability of local governments to levy an LBT. **The Florida League of Cities opposes this legislation.**

The LBT is one of the few unrestricted general revenue sources the Legislature has authorized municipalities to impose, and it has been levied for over 50 years. The Legislature recognized there were efficiencies to be gained by having local governments assist in ensuring businesses obtained the proper State licensure, and afforded LBT to those local governments to offset the costs of this mandate.

The Revenue Estimating Conference (REC) scored HB 103 on November 14, 2025, and showed a negative impact of \$188.6 million growing to over \$204 million by 2031. Maintaining a diversified revenue base strengthens the fiscal stability of local governments and improves their ability to serve all citizens and businesses. Local business tax revenues collected by municipalities are used to assist the funding of services critical to business, such as public safety (police and fire), zoning, permitting, and code enforcement. Local governments may also use business tax revenues to help fund other vital services, such as economic development programs, that present a direct benefit to businesses. Many municipalities have already pledged these revenues to secure debt through General Revenue Obligation Bonds and to assist with funding the operation of the local government.

A repeal would require municipalities increase fees or taxes or cut general revenue-funded services to make up for this financial loss. This situation could potentially result in residents subsidizing services intended for businesses. Furthermore, the LBTs are beneficial for numerous State of Florida entities. The collection of these taxes serves to confirm state licensing for the Department of Business and Professional Regulation, Agency for Health Care Administration, and Department of Agriculture and Consumer Services for a variety of businesses. The programmatic functions of the LBT system assist these state entities in identifying unlicensed businesses.



Summary

The LBT has been debated numerous times over the past decade, with the Legislature acknowledging its importance as a revenue source for local governments. When the Legislature is currently considering significant property tax reforms that would greatly reduce local government revenues, alongside proposals that would increase their expenditures, we ask that these dynamics be considered when evaluating a bill that would remove one of the limited taxing sources authorized to local government.

Thank you for the opportunity to share our opposition to HB 103. We are available to discuss these concerns further and answer any questions you may have regarding this important revenue source for Florida's cities.

Sincerely,



Charles Chapman
Legislative Advocate
Florida League of Cities, Inc.

CC: Chair Jacques and Members of the House Intergovernmental Affairs Subcommittee