

By Senator Gelber

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1 A bill to be entitled
2 An act relating to the corporate income tax; providing
3 legislative findings and intent; amending s. 220.03,
4 F.S.; revising a definition; defining the terms "tax
5 haven" and "water's edge group"; amending s. 220.13,
6 F.S.; conforming a cross-reference; redefining the
7 term "adjusted federal income" to limit the
8 subtraction of certain deductions and certain
9 carryovers; requiring the subtraction of certain
10 dividends from taxable income; creating s. 220.136,
11 F.S.; providing rules and criteria to determine if a
12 corporation is a member of a water's edge group;
13 creating s. 220.1363, F.S.; providing a reporting
14 method for a water's edge group; providing for the
15 apportionment of income to the state; requiring a
16 member of a water's edge group having nexus with this
17 state to file a single return for the water's edge
18 group; providing for the determination of income for a
19 member of a water's edge group having a different tax
20 year than the water's edge group; requiring a water's
21 edge group return to include a computational schedule;
22 requiring a water's edge group to file a domestic
23 disclosure spreadsheet along with its return;
24 authorizing the Department of Revenue to adopt rules;
25 amending s. 220.14, F.S.; providing for the proration
26 of an exemption during a leap year; limiting a water's
27 edge group to a single claim of a specified exemption;
28 amending s. 220.15, F.S.; deleting provisions relating
29 to affiliated groups with respect to certain sales of

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30 a financial institution; amending s. 220.183, F.S.;

31 deleting provisions relating to affiliated groups with

32 respect to community contribution tax credits;

33 amending s. 220.1845, F.S.; deleting provisions

34 relating to affiliated groups with respect to the

35 contaminated site rehabilitation tax credit; amending

36 s. 220.187, F.S.; deleting provisions relating to

37 affiliated groups with respect to the tax credit for

38 contributions to nonprofit scholarship funding

39 organizations; amending s. 220.191, F.S.; deleting

40 provisions relating to affiliated groups with respect

41 to the capital investment tax credit; amending s.

42 220.192, F.S.; deleting provisions relating to

43 affiliated groups with respect to the renewable energy

44 technologies investment tax credit; amending s.

45 220.193, F.S.; deleting provisions relating to

46 affiliated groups with respect to the Florida

47 renewable energy production tax credit; amending s.

48 220.51, F.S.; deleting provisions relating to the

49 rulemaking authority of the Department of Revenue with

50 respect to consolidated reporting for affiliated

51 groups; amending s. 220.64, F.S.; conforming cross-

52 references; providing transitional rules for corporate

53 income tax returns filed by water's edge groups and

54 affiliated groups of corporations; specifying the

55 allocation of funds that are recaptured under the act;

56 repealing s. 220.131, F.S., relating to adjusted

57 federal income for affiliated groups; providing an

58 effective date.

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Be It Enacted by the Legislature of the State of Florida:

Section 1. Legislative findings and intent.—The Legislature finds that the separate accounting system used to measure the income of multistate and multinational corporations for tax purposes often places Florida corporations at a competitive disadvantage. Moreover, corporate business is increasingly conducted through groups of commonly owned corporations. Therefore, the Legislature intends to more accurately measure the business activities of corporations by adopting a combined system of income tax reporting.

Section 2. Paragraph (z) of subsection (1) of section 220.03, Florida Statutes, is amended and paragraphs (gg) and (hh) are added to that subsection to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(z) "Taxpayer" means any corporation subject to the tax imposed by this code, and includes all corporations that are members of a water's edge group ~~for which a consolidated return is filed under s. 220.131.~~ However, "taxpayer" does not include a corporation having no individuals (including individuals employed by an affiliate) receiving compensation in this state as defined in s. 220.15 when the only property owned or leased by said corporation (including an affiliate) in this state is located at the premises of a printer with which it has

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88 contracted for printing, if such property consists of the final
89 printed product, property which becomes a part of the final
90 printed product, or property from which the printed product is
91 produced.

92 (gg) "Tax haven" means a jurisdiction that, for a
93 particular tax year:

94 1. Is identified by the Organization for Economic Co-
95 operation and Development as a tax haven or as having a harmful
96 preferential tax regime; or

97 2.a. Is a jurisdiction that does not impose or imposes only
98 a nominal, effective tax on relevant income;

99 b. Has laws or practices that prevent the effective
100 exchange of information for tax purposes with other governments
101 regarding taxpayers who are subject to, or benefiting from, the
102 tax regime;

103 c. Lacks transparency;

104 d. Facilitates the establishment of foreign-owned entities
105 without the need for a local substantive presence or prohibits
106 these entities from having any commercial impact on the local
107 economy;

108 e. Explicitly or implicitly excludes the jurisdiction's
109 resident taxpayers from taking advantage of the tax regime's
110 benefits or prohibits enterprises that benefit from the regime
111 from operating in the jurisdiction's domestic market; or

112 f. Has created a tax regime that is favorable for tax
113 avoidance, based upon an overall assessment of relevant factors,
114 including whether the jurisdiction has a significant untaxed
115 offshore financial or other services sector relative to its
116 overall economy.

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118 For purposes of this paragraph, a tax regime lacks transparency
119 if the details of legislative, legal, or administrative
120 requirements are not open to public scrutiny and apparent, or
121 are not consistently applied among similarly situated taxpayers.
122 As used in this paragraph, the term "tax regime" means a set or
123 system of rules, laws, regulations, or practices by which taxes
124 are imposed on any person, corporation, or entity, or on any
125 income, property, incident, indicia, or activity pursuant to
126 government authority.

127 (hh) "Water's edge group" means a group of corporations
128 related through common ownership whose business activities are
129 integrated with, dependent upon, or contribute to a flow of
130 value among members of the group.

131 Section 3. Subsection (1) of section 220.13, Florida
132 Statutes, is amended to read:

133 220.13 "Adjusted federal income" defined.—

134 (1) The term "adjusted federal income" means an amount
135 equal to the taxpayer's taxable income as defined in subsection
136 (2), or such taxable income of more than one taxpayer as
137 provided in s. 220.1363 ~~s. 220.131~~, for the taxable year,
138 adjusted as follows:

139 (a) *Additions.*—There shall be added to such taxable income:

140 1. The amount of any tax upon or measured by income,
141 excluding taxes based on gross receipts or revenues, paid or
142 accrued as a liability to the District of Columbia or any state
143 of the United States which is deductible from gross income in
144 the computation of taxable income for the taxable year.

145 2. The amount of interest which is excluded from taxable

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146 income under s. 103(a) of the Internal Revenue Code or any other
147 federal law, less the associated expenses disallowed in the
148 computation of taxable income under s. 265 of the Internal
149 Revenue Code or any other law, excluding 60 percent of any
150 amounts included in alternative minimum taxable income, as
151 defined in s. 55(b)(2) of the Internal Revenue Code, if the
152 taxpayer pays tax under s. 220.11(3).

153 3. In the case of a regulated investment company or real
154 estate investment trust, an amount equal to the excess of the
155 net long-term capital gain for the taxable year over the amount
156 of the capital gain dividends attributable to the taxable year.

157 4. That portion of the wages or salaries paid or incurred
158 for the taxable year which is equal to the amount of the credit
159 allowable for the taxable year under s. 220.181. This
160 subparagraph shall expire on the date specified in s. 290.016
161 for the expiration of the Florida Enterprise Zone Act.

162 5. That portion of the ad valorem school taxes paid or
163 incurred for the taxable year which is equal to the amount of
164 the credit allowable for the taxable year under s. 220.182. This
165 subparagraph shall expire on the date specified in s. 290.016
166 for the expiration of the Florida Enterprise Zone Act.

167 6. The amount of emergency excise tax paid or accrued as a
168 liability to this state under chapter 221 which tax is
169 deductible from gross income in the computation of taxable
170 income for the taxable year.

171 7. That portion of assessments to fund a guaranty
172 association incurred for the taxable year which is equal to the
173 amount of the credit allowable for the taxable year.

174 8. In the case of a nonprofit corporation which holds a

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175 pari-mutuel permit and which is exempt from federal income tax
176 as a farmers' cooperative, an amount equal to the excess of the
177 gross income attributable to the pari-mutuel operations over the
178 attributable expenses for the taxable year.

179 9. The amount taken as a credit for the taxable year under
180 s. 220.1895.

181 10. Up to nine percent of the eligible basis of any
182 designated project which is equal to the credit allowable for
183 the taxable year under s. 220.185.

184 11. The amount taken as a credit for the taxable year under
185 s. 220.187.

186 12. The amount taken as a credit for the taxable year under
187 s. 220.192.

188 13. The amount taken as a credit for the taxable year under
189 s. 220.193.

190 14. Any amount in excess of \$25,000 allowable as a
191 deduction for federal income tax purposes under s. 179 of the
192 Internal Revenue Code of 1986, as amended, for the taxable year.

193 15. Any amount allowable as a deduction for federal income
194 tax purposes under s. 167 or s. 168 of the Internal Revenue Code
195 of 1986, as amended, for the taxable year to the extent that
196 such amount includes bonus depreciation allowable as deduction
197 under s. 168(k).

198 (b) *Subtractions.*—

199 1. There shall be subtracted from such taxable income:

200 a. The net operating loss deduction allowable for federal
201 income tax purposes under s. 172 of the Internal Revenue Code
202 for the taxable year,

203 b. The net capital loss allowable for federal income tax

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204 purposes under s. 1212 of the Internal Revenue Code for the
205 taxable year,

206 c. The excess charitable contribution deduction allowable
207 for federal income tax purposes under s. 170(d)(2) of the
208 Internal Revenue Code for the taxable year, and

209 d. The excess contributions deductions allowable for
210 federal income tax purposes under s. 404 of the Internal Revenue
211 Code for the taxable year.

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213 However, a net operating loss and a capital loss shall never be
214 carried back as a deduction to a prior taxable year, but all
215 deductions attributable to such losses shall be deemed net
216 operating loss carryovers and capital loss carryovers,
217 respectively, and treated in the same manner, to the same
218 extent, and for the same time periods as are prescribed for such
219 carryovers in ss. 172 and 1212, respectively, of the Internal
220 Revenue Code. A deduction is not allowed for net operating
221 losses, net capital losses, or excess contribution deductions
222 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
223 of a water's edge group that is not a United States member.
224 Carryovers of net operating losses, net capital losses, or
225 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
226 172, 1212, and 404 may be subtracted only by the member of the
227 water's edge group that generates a carryover.

228 2. There shall be subtracted from such taxable income any
229 amount to the extent included therein the following:

230 a. Dividends treated as received from sources without the
231 United States, as determined under s. 862 of the Internal
232 Revenue Code.

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233 b. All amounts included in taxable income under s. 78 or s.
234 951 of the Internal Revenue Code.

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236 However, as to any amount subtracted under this subparagraph,
237 there shall be added to such taxable income all expenses
238 deducted on the taxpayer's return for the taxable year which are
239 attributable, directly or indirectly, to such subtracted amount.
240 Further, no amount shall be subtracted with respect to dividends
241 paid or deemed paid by a Domestic International Sales
242 Corporation.

243 3. Amounts received by a member of a water's edge group as
244 dividends paid by another member of the water's edge group shall
245 be subtracted from the taxable income to the extent that the
246 dividends are included in the taxable income.

247 ~~4.3.~~ In computing "adjusted federal income" for taxable
248 years beginning after December 31, 1976, there shall be allowed
249 as a deduction the amount of wages and salaries paid or incurred
250 within this state for the taxable year for which no deduction is
251 allowed pursuant to s. 280C(a) of the Internal Revenue Code
252 (relating to credit for employment of certain new employees).

253 ~~5.4.~~ There shall be subtracted from such taxable income any
254 amount of nonbusiness income included therein.

255 ~~6.5.~~ There shall be subtracted any amount of taxes of
256 foreign countries allowable as credits for taxable years
257 beginning on or after September 1, 1985, under s. 901 of the
258 Internal Revenue Code to any corporation which derived less than
259 20 percent of its gross income or loss for its taxable year
260 ended in 1984 from sources within the United States, as
261 described in s. 861(a)(2)(A) of the Internal Revenue Code, not

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262 including credits allowed under ss. 902 and 960 of the Internal
263 Revenue Code, withholding taxes on dividends within the meaning
264 of sub-subparagraph 2.a., and withholding taxes on royalties,
265 interest, technical service fees, and capital gains.

266 7.6. Notwithstanding any other provision of this code,
267 except with respect to amounts subtracted pursuant to
268 subparagraphs 1. and 4. 3., any increment of any apportionment
269 factor which is directly related to an increment of gross
270 receipts or income which is deducted, subtracted, or otherwise
271 excluded in determining adjusted federal income shall be
272 excluded from both the numerator and denominator of such
273 apportionment factor. Further, all valuations made for
274 apportionment factor purposes shall be made on a basis
275 consistent with the taxpayer's method of accounting for federal
276 income tax purposes.

277 (c) *Installment sales occurring after October 19, 1980.*—

278 1. In the case of any disposition made after October 19,
279 1980, the income from an installment sale shall be taken into
280 account for the purposes of this code in the same manner that
281 such income is taken into account for federal income tax
282 purposes.

283 2. Any taxpayer who regularly sells or otherwise disposes
284 of personal property on the installment plan and reports the
285 income therefrom on the installment method for federal income
286 tax purposes under s. 453(a) of the Internal Revenue Code shall
287 report such income in the same manner under this code.

288 (d) *Nonallowable deductions.*—A deduction for net operating
289 losses, net capital losses, or excess contributions deductions
290 under ss. 170(d)(2), 172, 1212, and 404 of the Internal Revenue

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291 Code which has been allowed in a prior taxable year for Florida
292 tax purposes shall not be allowed for Florida tax purposes,
293 notwithstanding the fact that such deduction has not been fully
294 utilized for federal tax purposes.

295 Section 4. Section 220.136, Florida Statutes, is created to
296 read:

297 220.136 Determination of the members of a water's edge
298 group.-

299 (1) MEMBERSHIP RULES.-

300 (a) A corporation having 50 percent or more of its
301 outstanding voting stock directly or indirectly owned or
302 controlled by a water's edge group is presumed to be a member of
303 the group. A corporation having less than 50 percent of its
304 outstanding voting stock directly or indirectly controlled by a
305 water's edge group is a member of the group if the businesses
306 activities of the corporation show that the corporation is a
307 member of the group. All of the income of a corporation that is
308 a member of a water's edge group is presumed to be unitary.

309 (b) A corporation that conducts business outside the United
310 States is not a member of a water's edge group if 80 percent or
311 more of the corporation's property and payroll, as determined by
312 the apportionment factors described in ss. 220.15 and 220.1363,
313 may be assigned to locations outside the United States. However,
314 such corporations that are incorporated in a tax haven may be a
315 member of a water's edge group pursuant to paragraph (a). This
316 paragraph does not exempt a corporation that is not a member of
317 a water's edge group from the provisions of this chapter.

318 (2) MEMBERSHIP EVALUATION CRITERIA.-

319 (a) The attribution rules of 26 U.S.C. 318 shall be used to

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320 determine whether voting stock is owned indirectly.

321 (b) As used in this paragraph, the term "United States"
322 means the 50 states, the District of Columbia, and Puerto Rico.

323 (c) The apportionment factors described in ss. 220.15 and
324 220.1363 shall be used to determine whether a special industry
325 corporation has engaged in a sufficient amount of activities
326 outside the United States to exclude it from treatment as a
327 member of a water's edge group.

328 Section 5. Section 220.1363, Florida Statutes, is created
329 to read:

330 220.1363 Water's edge groups; special requirements.-

331 (1) All members of a water's edge group must use the
332 water's edge reporting method. Under the water's edge reporting
333 method:

334 (a) Adjusted federal income for purposes of s. 220.12 means
335 the sum of adjusted federal income for all members of the group
336 as determined for a concurrent tax year.

337 (b) The numerators and denominators of the apportionment
338 factors shall be calculated for all members of the group
339 combined.

340 (c) Intercompany sales transactions between members of the
341 group are not included in the numerator or denominator of the
342 sales factor pursuant to ss. 220.15 and 220.151, regardless of
343 whether indicia of a sale exist. As used in this subsection, the
344 term "sale" includes, but is not limited to, loans, payments for
345 the use of intangibles, dividends, and management fees.

346 (d) For sales of intangibles, including, but not limited
347 to, accounts receivable, notes, bonds, and stock, which are made
348 to entities outside of the group, only the net proceeds are

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349 included in the numerator and denominator of the sales factor.

350 (e) Sales that are not allocated or apportioned to any
351 taxing jurisdiction, otherwise known as "nowhere sales," may not
352 be included in the numerator or denominator of the sales factor.

353 (f) The income attributable to the Florida activities of a
354 corporation that is exempt from taxation under Pub. L. No. 86-
355 272 is excluded from the apportionment factor numerators in the
356 calculation of corporate income tax even if another member of
357 the water's edge group has nexus with Florida and is subject to
358 tax.

359 (g) For purposes of this section, the term "water's edge
360 reporting method" is a method to determine the taxable business
361 profits of a group of entities conducting a unitary business.
362 Under this method, the net income of the entities must be added
363 together along with the additions and subtractions under s.
364 220.13 and apportioned to this state as a single taxpayer under
365 s. 220.15 and 220.151. However, each special industry member
366 included in a water's edge group return, which would otherwise
367 be permitted to use a special method of apportionment under s.
368 220.151, shall convert its single-factor apportionment to a
369 three-factor apportionment of property, payroll, and sales. The
370 special industry member shall calculate the denominator of its
371 property, payroll, and sales factors in the same manner as those
372 denominators are calculated by members that are not a special
373 industry member. The numerator of its sales, property, and
374 payroll factors is the product of the denominator of each factor
375 multiplied by the premiums or revenue-miles-factor ratio
376 otherwise applicable under s. 220.151.

377 (2) (a) A single water's edge group return must be filed in

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378 the name and federal employer identification number of the
379 parent corporation if the parent is a member of the group and
380 has nexus with Florida. If the group does not have a parent
381 corporation, if the parent corporation is not a member of the
382 group, or if the parent corporation does not have nexus with
383 Florida, the members of the group must choose a member subject
384 to the Florida corporate income tax to file the return. The
385 members of the group may not choose another member to file a
386 corporate income tax return in subsequent years unless the
387 filing member does not maintain nexus with Florida or remain a
388 member of that group. The return must be signed by an authorized
389 officer of the filing member as the agent for the group.

390 (b) If members of a water's edge group have different tax
391 years, the tax year of a majority of the members of the group is
392 the tax year of the group. If the tax years of a majority of the
393 members of a group do not correspond, the tax year of the member
394 that must file the return for the group is the tax year of the
395 group.

396 (c)1. A member of a water's edge group having a tax year
397 that does not correspond to the tax year of the group shall
398 determine its income for inclusion on the tax return for the
399 group. The member shall use:

400 a. The precise amount of taxable income received during the
401 months corresponding to the tax year of the group, if the
402 precise amount can be readily determined from the member's books
403 and records.

404 b. The taxable income of the member converted to conform to
405 the tax year of the group on the basis of the number of months
406 falling within the tax year of the group. For example, if the

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407 tax year of the water's edge group is a calendar year and a
408 member operates on a fiscal year ending on April 30, the income
409 of the member shall include 8/12 of the income from the current
410 tax year and 4/12 of the income from the preceding tax year.
411 This method to determine the income of a member may be used only
412 if the return can be timely filed after the end of the tax year
413 of the group.

414 c. The taxable income of the member during its tax year
415 that ends within the tax year of the group.

416 2. The method of determining the income of a member of a
417 group whose tax year does not correspond to the tax year of the
418 group may not change as long as the member remains a member of
419 the group. The apportionment factors for the member must be
420 applied to the income of the member for the tax year of the
421 group.

422 (3) (a) A water's edge group return shall include a
423 computational schedule that:

424 1. Combines the federal income of all members of the
425 water's edge group;

426 2. Shows all intercompany eliminations;

427 3. Shows Florida additions and subtractions under s.
428 220.13; and

429 4. Shows the calculation of the combined apportionment
430 factors.

431 (b) A water's edge group shall also file a domestic
432 disclosure spreadsheet in addition to its return. The
433 spreadsheet shall fully disclose:

434 1. The income reported to each state;

435 2. The state tax liability;

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436 3. The method used for apportioning or allocating income to
437 the various states; and

438 4. Other information required by the department by rule in
439 order to determine the proper amount of tax due to each state
440 and to identify the water's edge group.

441 (4) The department may adopt rules and forms to administer
442 this section. The Legislature intends to grant the department
443 extensive authority to adopt rules and forms describing and
444 defining principles for determining the existence of a water's
445 edge business, definitions of common control, methods of
446 reporting, and related forms, principles, and other definitions.

447 Section 6. Section 220.14, Florida Statutes, is amended to
448 read:

449 220.14 Exemption.—

450 (1) In computing a taxpayer's liability for tax under this
451 code, there shall be exempt from the tax \$5,000 of net income as
452 defined in s. 220.12 or such lesser amount as will, without
453 increasing the taxpayer's federal income tax liability, provide
454 the state with an amount under this code which is equal to the
455 maximum federal income tax credit which may be available from
456 time to time under federal law.

457 (2) In the case of a taxable year for a period of less than
458 12 months, the exemption allowed by this section shall be
459 prorated on the basis of the number of days in such year to 365,
460 or in the case of a leap year, to 366.

461 (3) Only one exemption shall be allowed to taxpayers filing
462 a water's edge group ~~a consolidated~~ return under this code.

463 (4) Notwithstanding any other provision of this code, not
464 more than one exemption under this section may be allowed to the

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465 Florida members of a controlled group of corporations, as
466 defined in s. 1563 of the Internal Revenue Code with respect to
467 taxable years ending on or after December 31, 1970, filing
468 separate returns under this code. The exemption described in
469 this section shall be divided equally among such Florida members
470 of the group, unless all of such members consent, at such time
471 and in such manner as the department shall by regulation
472 prescribe, to an apportionment plan providing for an unequal
473 allocation of such exemption.

474 Section 7. Subsection (5) of section 220.15, Florida
475 Statutes, is amended to read:

476 220.15 Apportionment of adjusted federal income.—

477 (5) The sales factor is a fraction the numerator of which
478 is the total sales of the taxpayer in this state during the
479 taxable year or period and the denominator of which is the total
480 sales of the taxpayer everywhere during the taxable year or
481 period.

482 (a) As used in this subsection, the term "sales" means all
483 gross receipts of the taxpayer except interest, dividends,
484 rents, royalties, and gross receipts from the sale, exchange,
485 maturity, redemption, or other disposition of securities.
486 However:

487 1. Rental income is included in the term if a significant
488 portion of the taxpayer's business consists of leasing or
489 renting real or tangible personal property; and

490 2. Royalty income is included in the term if a significant
491 portion of the taxpayer's business consists of dealing in or
492 with the production, exploration, or development of minerals.

493 (b)1. Sales of tangible personal property occur in this

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494 state if the property is delivered or shipped to a purchaser
495 within this state, regardless of the f.o.b. point, other
496 conditions of the sale, or ultimate destination of the property,
497 unless shipment is made via a common or contract carrier.
498 However, for industries in SIC Industry Number 2037, if the
499 ultimate destination of the product is to a location outside
500 this state, regardless of the method of shipment or f.o.b.
501 point, the sale shall not be deemed to occur in this state.

502 2. When citrus fruit is delivered by a cooperative for a
503 grower-member, by a grower-member to a cooperative, or by a
504 grower-participant to a Florida processor, the sales factor for
505 the growers for such citrus fruit delivered to such processor
506 shall be the same as the sales factor for the most recent
507 taxable year of that processor. That sales factor, expressed
508 only as a percentage and not in terms of the dollar volume of
509 sales, so as to protect the confidentiality of the sales of the
510 processor, shall be furnished on the request of such a grower
511 promptly after it has been determined for that taxable year.

512 3. Reimbursement of expenses under an agency contract
513 between a cooperative, a grower-member of a cooperative, or a
514 grower and a processor is not a sale within this state.

515 (c) Sales of a financial organization, including, but not
516 limited to, banking and savings institutions, investment
517 companies, real estate investment trusts, and brokerage
518 companies, occur in this state if derived from:

519 1. Fees, commissions, or other compensation for financial
520 services rendered within this state;

521 2. Gross profits from trading in stocks, bonds, or other
522 securities managed within this state;

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523 3. Interest received within this state, other than interest
524 from loans secured by mortgages, deeds of trust, or other liens
525 upon real or tangible personal property located without this
526 state, and dividends received within this state;

527 4. Interest charged to customers at places of business
528 maintained within this state for carrying debit balances of
529 margin accounts, without deduction of any costs incurred in
530 carrying such accounts;

531 5. Interest, fees, commissions, or other charges or gains
532 from loans secured by mortgages, deeds of trust, or other liens
533 upon real or tangible personal property located in this state or
534 from installment sale agreements originally executed by a
535 taxpayer or the taxpayer's agent to sell real or tangible
536 personal property located in this state;

537 6. Rents from real or tangible personal property located in
538 this state; or

539 7. Any other gross income, including other interest,
540 resulting from the operation as a financial organization within
541 this state.

542
543 ~~In computing the amounts under this paragraph, any amount~~
544 ~~received by a member of an affiliated group (determined under s.~~
545 ~~1504(a) of the Internal Revenue Code, but without reference to~~
546 ~~whether any such corporation is an "includable corporation"~~
547 ~~under s. 1504(b) of the Internal Revenue Code) from another~~
548 ~~member of such group shall be included only to the extent such~~
549 ~~amount exceeds expenses of the recipient directly related~~
550 ~~thereto.~~

551 Section 8. Subsection (1) of section 220.183, Florida

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552 Statutes, is amended to read:

553 220.183 Community contribution tax credit.—

554 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
555 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
556 SPENDING.—

557 (a) There shall be allowed a credit of 50 percent of a
558 community contribution against any tax due for a taxable year
559 under this chapter.

560 (b) No business firm shall receive more than \$200,000 in
561 annual tax credits for all approved community contributions made
562 in any one year.

563 (c) The total amount of tax credit which may be granted for
564 all programs approved under this section, s. 212.08(5)(p), and
565 s. 624.5105 is \$10.5 million annually for projects that provide
566 homeownership opportunities for low-income or very-low-income
567 households as defined in s. 420.9071(19) and (28) and \$3.5
568 million annually for all other projects.

569 (d) All proposals for the granting of the tax credit shall
570 require the prior approval of the Office of Tourism, Trade, and
571 Economic Development.

572 (e) If the credit granted pursuant to this section is not
573 fully used in any one year because of insufficient tax liability
574 on the part of the business firm, the unused amount may be
575 carried forward for a period not to exceed 5 years. The
576 carryover credit may be used in a subsequent year when the tax
577 imposed by this chapter for such year exceeds the credit for
578 such year under this section after applying the other credits
579 and unused credit carryovers in the order provided in s.
580 220.02(8).

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581 ~~(f) A taxpayer who files a Florida consolidated return as a~~
 582 ~~member of an affiliated group pursuant to s. 220.131(1) may be~~
 583 ~~allowed the credit on a consolidated return basis.~~

584 (f)~~(g)~~ A taxpayer who is eligible to receive the credit
 585 provided for in s. 624.5105 is not eligible to receive the
 586 credit provided by this section.

587 (g)~~(h)~~ Notwithstanding paragraph (c), and for the 2008-2009
 588 fiscal year only, the total amount of tax credit which may be
 589 granted for all programs approved under this section, s.
 590 212.08(5)(p), and s. 624.5105 is \$13 million annually for
 591 projects that provide homeownership opportunities for low-income
 592 or very-low-income households as defined in s. 420.9071(19) and
 593 (28) and \$3.5 million annually for all other projects. This
 594 paragraph expires June 30, 2009.

595 Section 9. Subsection (1) of section 220.1845, Florida
 596 Statutes, is amended to read:

597 220.1845 Contaminated site rehabilitation tax credit.—

598 (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

599 (a) A credit in the amount of 50 percent of the costs of
 600 voluntary cleanup activity that is integral to site
 601 rehabilitation at the following sites is available against any
 602 tax due for a taxable year under this chapter:

603 1. A drycleaning-solvent-contaminated site eligible for
 604 state-funded site rehabilitation under s. 376.3078(3);

605 2. A drycleaning-solvent-contaminated site at which site
 606 rehabilitation is undertaken by the real property owner pursuant
 607 to s. 376.3078(11), if the real property owner is not also, and
 608 has never been, the owner or operator of the drycleaning
 609 facility where the contamination exists; or

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610 3. A brownfield site in a designated brownfield area under
611 s. 376.80.

612 (b) A tax credit applicant, or multiple tax credit
613 applicants working jointly to clean up a single site, may not be
614 granted more than \$500,000 per year in tax credits for each site
615 voluntarily rehabilitated. Multiple tax credit applicants shall
616 be granted tax credits in the same proportion as their
617 contribution to payment of cleanup costs. Subject to the same
618 conditions and limitations as provided in this section, a
619 municipality, county, or other tax credit applicant which
620 voluntarily rehabilitates a site may receive not more than
621 \$500,000 per year in tax credits which it can subsequently
622 transfer subject to the provisions in paragraph (f) ~~(g)~~.

623 (c) If the credit granted under this section is not fully
624 used in any one year because of insufficient tax liability on
625 the part of the corporation, the unused amount may be carried
626 forward for up to 5 years. The carryover credit may be used in a
627 subsequent year if the tax imposed by this chapter for that year
628 exceeds the credit for which the corporation is eligible in that
629 year after applying the other credits and unused carryovers in
630 the order provided by s. 220.02(8). If during the 5-year period
631 the credit is transferred, in whole or in part, pursuant to
632 paragraph (g), each transferee has 5 years after the date of
633 transfer to use its credit.

634 ~~(d) A taxpayer that files a consolidated return in this~~
635 ~~state as a member of an affiliated group under s. 220.131(1) may~~
636 ~~be allowed the credit on a consolidated return basis up to the~~
637 ~~amount of tax imposed upon the consolidated group.~~

638 (d) ~~(e)~~ A tax credit applicant that receives state-funded

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639 site rehabilitation under s. 376.3078(3) for rehabilitation of a
640 drycleaning-solvent-contaminated site is ineligible to receive
641 credit under this section for costs incurred by the tax credit
642 applicant in conjunction with the rehabilitation of that site
643 during the same time period that state-administered site
644 rehabilitation was underway.

645 (e)~~(f)~~ The total amount of the tax credits which may be
646 granted under this section is \$2 million annually.

647 (f)~~(g)~~ 1. Tax credits that may be available under this
648 section to an entity eligible under s. 376.30781 may be
649 transferred after a merger or acquisition to the surviving or
650 acquiring entity and used in the same manner and with the same
651 limitations.

652 2. The entity or its surviving or acquiring entity as
653 described in subparagraph 1., may transfer any unused credit in
654 whole or in units of at least 25 percent of the remaining
655 credit. The entity acquiring such credit may use it in the same
656 manner and with the same limitation as described in this
657 section. Such transferred credits may not be transferred again
658 although they may succeed to a surviving or acquiring entity
659 subject to the same conditions and limitations as described in
660 this section.

661 3. If the credit is reduced due to a determination by the
662 Department of Environmental Protection or an examination or
663 audit by the Department of Revenue, the tax deficiency shall be
664 recovered from the first entity, or the surviving or acquiring
665 entity that claimed the credit up to the amount of credit taken.
666 Any subsequent deficiencies shall be assessed against the entity
667 acquiring and claiming the credit, or in the case of multiple

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668 succeeding entities in the order of credit succession.

669 (g)~~(h)~~ In order to encourage completion of site
670 rehabilitation at contaminated sites being voluntarily cleaned
671 up and eligible for a tax credit under this section, the tax
672 credit applicant may claim an additional 25 percent of the total
673 cleanup costs, not to exceed \$500,000, in the final year of
674 cleanup as evidenced by the Department of Environmental
675 Protection issuing a "No Further Action" order for that site.

676 (h)~~(i)~~ In order to encourage the construction of housing
677 that meets the definition of affordable provided in s. 420.0004,
678 an applicant for the tax credit may claim an additional 25
679 percent of the total site rehabilitation costs that are eligible
680 for tax credits under this section, not to exceed \$500,000. In
681 order to receive this additional tax credit, the applicant must
682 provide a certification letter from the Florida Housing Finance
683 Corporation, the local housing authority, or other governmental
684 agency that is a party to the use agreement indicating that the
685 construction on the brownfield site has received a certificate
686 of occupancy and the brownfield site has a properly recorded
687 instrument that limits the use of the property to housing that
688 meets the definition of affordable provided in s. 420.0004.

689 (i)~~(j)~~ In order to encourage the redevelopment of a
690 brownfield site, as defined in the brownfield site
691 rehabilitation agreement, that is hindered by the presence of
692 solid waste, as defined in s. 403.703, a tax credit applicant,
693 or multiple tax credit applicants working jointly to clean up a
694 single brownfield site, may also claim costs required to address
695 solid waste removal as defined in this paragraph in accordance
696 with rules of the Department of Environmental Protection.

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697 Multiple tax credit applicants shall be granted tax credits in
698 the same proportion as each applicant's contribution to payment
699 of solid waste removal costs. These costs are eligible for a tax
700 credit provided the applicant submits an affidavit stating that,
701 after consultation with appropriate local government officials
702 and the Department of Environmental Protection, to the best of
703 the applicant's knowledge according to such consultation and
704 available historical records, the brownfield site was never
705 operated as a permitted solid waste disposal area or was never
706 operated for monetary compensation and the applicant submits all
707 other documentation and certifications required by this section.
708 Under this section, wherever reference is made to "site
709 rehabilitation," the Department of Environmental Protection
710 shall instead consider whether or not the costs claimed are for
711 solid waste removal. Tax credit applications claiming costs
712 pursuant to this paragraph shall not be subject to the calendar-
713 year limitation and January 31 annual application deadline, and
714 the Department of Environmental Protection shall accept a one-
715 time application filed subsequent to the completion by the tax
716 credit applicant of the applicable requirements listed in this
717 section. A tax credit applicant may claim 50 percent of the cost
718 for solid waste removal, not to exceed \$500,000, after the
719 applicant has determined solid waste removal is completed for
720 the brownfield site. A solid waste removal tax credit
721 application may be filed only once per brownfield site. For the
722 purposes of this section, the term:

- 723 1. "Solid waste disposal area" means a landfill, dump, or
724 other area where solid waste has been disposed of.
725 2. "Monetary compensation" means the fees that were charged

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726 or the assessments that were levied for the disposal of solid
727 waste at a solid waste disposal area.

728 3. "Solid waste removal" means removal of solid waste from
729 the land surface or excavation of solid waste from below the
730 land surface and removal of the solid waste from the brownfield
731 site. The term also includes:

732 a. Transportation of solid waste to a licensed or exempt
733 solid waste management facility or to a temporary storage area.

734 b. Sorting or screening of solid waste prior to removal
735 from the site.

736 c. Deposition of solid waste at a permitted or exempt solid
737 waste management facility, whether the solid waste is disposed
738 of or recycled.

739 (j)~~(k)~~ In order to encourage the construction and operation
740 of a new health care facility as defined in s. 408.032 or s.
741 408.07, or a health care provider as defined in s. 408.07 or s.
742 408.7056, on a brownfield site, an applicant for a tax credit
743 may claim an additional 25 percent of the total site
744 rehabilitation costs, not to exceed \$500,000, if the applicant
745 meets the requirements of this paragraph. In order to receive
746 this additional tax credit, the applicant must provide
747 documentation indicating that the construction of the health
748 care facility or health care provider by the applicant on the
749 brownfield site has received a certificate of occupancy or a
750 license or certificate has been issued for the operation of the
751 health care facility or health care provider.

752 Section 10. Subsection (5) of section 220.187, Florida
753 Statutes, is amended to read:

754 220.187 Credits for contributions to nonprofit scholarship-

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755 funding organizations.—

756 (5) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX CREDITS;
757 LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.—

758 (a) There is allowed a credit of 100 percent of an eligible
759 contribution against any tax due for a taxable year under this
760 chapter. However, such a credit may not exceed 75 percent of the
761 tax due under this chapter for the taxable year, after the
762 application of any other allowable credits by the taxpayer. The
763 credit granted by this section shall be reduced by the
764 difference between the amount of federal corporate income tax
765 taking into account the credit granted by this section and the
766 amount of federal corporate income tax without application of
767 the credit granted by this section.

768 (b) The total amount of tax credits and carryforward of tax
769 credits which may be granted each state fiscal year under this
770 section is:

- 771 1. Through June 30, 2008, \$88 million.
772 2. Beginning July 1, 2008, and thereafter, \$118 million.

773 ~~(c) A taxpayer who files a Florida consolidated return as a~~
774 ~~member of an affiliated group pursuant to s. 220.131(1) may be~~
775 ~~allowed the credit on a consolidated return basis; however, the~~
776 ~~total credit taken by the affiliated group is subject to the~~
777 ~~limitation established under paragraph (a).~~

778 (c)~~(d)~~ Effective for tax years beginning January 1, 2006, a
779 taxpayer may rescind all or part of its allocated tax credit
780 under this section. The amount rescinded shall become available
781 for purposes of the cap for that state fiscal year under this
782 section to an eligible taxpayer as approved by the department if
783 the taxpayer receives notice from the department that the

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784 rescindment has been accepted by the department and the taxpayer
785 has not previously rescinded any or all of its tax credit
786 allocation under this section more than once in the previous 3
787 tax years. Any amount rescinded under this paragraph shall
788 become available to an eligible taxpayer on a first-come, first-
789 served basis based on tax credit applications received after the
790 date the rescindment is accepted by the department.

791 Section 11. Subsection (3) of section 220.191, Florida
792 Statutes, is amended to read:

793 220.191 Capital investment tax credit.—

794 (3) (a) Notwithstanding subsection (2), an annual credit
795 against the tax imposed by this chapter shall be granted to a
796 qualifying business which establishes a qualifying project
797 pursuant to subparagraph (1) (h) 3., in an amount equal to the
798 lesser of \$15 million or 5 percent of the eligible capital costs
799 made in connection with a qualifying project, for a period not
800 to exceed 20 years beginning with the commencement of operations
801 of the project. The tax credit shall be granted against the
802 corporate income tax liability of the qualifying business and as
803 further provided in paragraph (c). The total tax credit provided
804 pursuant to this subsection shall be equal to no more than 100
805 percent of the eligible capital costs of the qualifying project.

806 (b) If the credit granted under this subsection is not
807 fully used in any one year because of insufficient tax liability
808 on the part of the qualifying business, the unused amount may be
809 carried forward for a period not to exceed 20 years after the
810 commencement of operations of the project. The carryover credit
811 may be used in a subsequent year when the tax imposed by this
812 chapter for that year exceeds the credit for which the

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813 qualifying business is eligible in that year under this
814 subsection after applying the other credits and unused
815 carryovers in the order provided by s. 220.02(8).

816 (c) The credit granted under this subsection may be used in
817 whole or in part by the qualifying business ~~or any corporation~~
818 ~~that is either a member of that qualifying business's affiliated~~
819 ~~group of corporations, is a related entity taxable as a~~
820 ~~cooperative under subchapter T of the Internal Revenue Code, or,~~
821 ~~if the qualifying business is an entity taxable as a cooperative~~
822 ~~under subchapter T of the Internal Revenue Code, is related to~~
823 ~~the qualifying business. Any entity related to the qualifying~~
824 ~~business may continue to file as a member of a Florida nexus~~
825 ~~consolidated group pursuant to a prior election made under s.~~
826 ~~220.131(1), Florida Statutes (1985), even if the parent of the~~
827 ~~group changes due to a direct or indirect acquisition of the~~
828 ~~former common parent of the group. Any credit can be used by any~~
829 ~~of the affiliated companies or related entities referenced in~~
830 ~~this paragraph to the same extent as it could have been used by~~
831 ~~the qualifying business. However, any such use shall not operate~~
832 ~~to increase the amount of the credit or extend the period within~~
833 ~~which the credit must be used.~~

834 Section 12. Subsection (2) of section 220.192, Florida
835 Statutes, is amended to read:

836 220.192 Renewable energy technologies investment tax
837 credit.—

838 (2) TAX CREDIT.—For tax years beginning on or after January
839 1, 2007, a credit against the tax imposed by this chapter shall
840 be granted in an amount equal to the eligible costs. Credits may
841 be used in tax years beginning January 1, 2007, and ending

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842 December 31, 2010, after which the credit shall expire. If the
843 credit is not fully used in any one tax year because of
844 insufficient tax liability on the part of the corporation, the
845 unused amount may be carried forward and used in tax years
846 beginning January 1, 2007, and ending December 31, 2012, after
847 which the credit carryover expires and may not be used. ~~A~~
848 ~~taxpayer that files a consolidated return in this state as a~~
849 ~~member of an affiliated group under s. 220.131(1) may be allowed~~
850 ~~the credit on a consolidated return basis up to the amount of~~
851 ~~tax imposed upon the consolidated group.~~ Any eligible cost for
852 which a credit is claimed and which is deducted or otherwise
853 reduces federal taxable income shall be added back in computing
854 adjusted federal income under s. 220.13.

855 Section 13. Subsection (3) of section 220.193, Florida
856 Statutes, is amended to read:

857 220.193 Florida renewable energy production credit.—

858 (3) An annual credit against the tax imposed by this
859 section shall be allowed to a taxpayer, based on the taxpayer's
860 production and sale of electricity from a new or expanded
861 Florida renewable energy facility. For a new facility, the
862 credit shall be based on the taxpayer's sale of the facility's
863 entire electrical production. For an expanded facility, the
864 credit shall be based on the increases in the facility's
865 electrical production that are achieved after May 1, 2006.

866 (a) The credit shall be \$0.01 for each kilowatt-hour of
867 electricity produced and sold by the taxpayer to an unrelated
868 party during a given tax year.

869 (b) The credit may be claimed for electricity produced and
870 sold on or after January 1, 2007. Beginning in 2008 and

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871 continuing until 2011, each taxpayer claiming a credit under
872 this section must first apply to the department by February 1 of
873 each year for an allocation of available credit. The department,
874 in consultation with the commission, shall develop an
875 application form. The application form shall, at a minimum,
876 require a sworn affidavit from each taxpayer certifying the
877 increase in production and sales that form the basis of the
878 application and certifying that all information contained in the
879 application is true and correct.

880 (c) If the amount of credits applied for each year exceeds
881 \$5 million, the department shall award to each applicant a
882 prorated amount based on each applicant's increased production
883 and sales and the increased production and sales of all
884 applicants.

885 (d) If the credit granted pursuant to this section is not
886 fully used in one year because of insufficient tax liability on
887 the part of the taxpayer, the unused amount may be carried
888 forward for a period not to exceed 5 years. The carryover credit
889 may be used in a subsequent year when the tax imposed by this
890 chapter for such year exceeds the credit for such year, after
891 applying the other credits and unused credit carryovers in the
892 order provided in s. 220.02(8).

893 ~~(e) A taxpayer that files a consolidated return in this~~
894 ~~state as a member of an affiliated group under s. 220.131(1) may~~
895 ~~be allowed the credit on a consolidated return basis up to the~~
896 ~~amount of tax imposed upon the consolidated group.~~

897 (e) ~~(f)~~1. Tax credits that may be available under this
898 section to an entity eligible under this section may be
899 transferred after a merger or acquisition to the surviving or

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900 acquiring entity and used in the same manner with the same
901 limitations.

902 2. The entity or its surviving or acquiring entity as
903 described in subparagraph 1. may transfer any unused credit in
904 whole or in units of no less than 25 percent of the remaining
905 credit. The entity acquiring such credit may use it in the same
906 manner and with the same limitations under this section. Such
907 transferred credits may not be transferred again although they
908 may succeed to a surviving or acquiring entity subject to the
909 same conditions and limitations as described in this section.

910 3. In the event the credit provided for under this section
911 is reduced as a result of an examination or audit by the
912 department, such tax deficiency shall be recovered from the
913 first entity or the surviving or acquiring entity to have
914 claimed such credit up to the amount of credit taken. Any
915 subsequent deficiencies shall be assessed against any entity
916 acquiring and claiming such credit, or in the case of multiple
917 succeeding entities in the order of credit succession.

918 (f)~~(g)~~ Notwithstanding any other provision of this section,
919 credits for the production and sale of electricity from a new or
920 expanded Florida renewable energy facility may be earned between
921 January 1, 2007, and June 30, 2010. The combined total amount of
922 tax credits which may be granted for all taxpayers under this
923 section is limited to \$5 million per state fiscal year.

924 (g)~~(h)~~ A taxpayer claiming a credit under this section
925 shall be required to add back to net income that portion of its
926 business deductions claimed on its federal return paid or
927 incurred for the taxable year which is equal to the amount of
928 the credit allowable for the taxable year under this section.

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929 (h)~~(i)~~ A taxpayer claiming credit under this section may
930 not claim a credit under s. 220.192. A taxpayer claiming credit
931 under s. 220.192 may not claim a credit under this section.

932 (i)~~(j)~~ When an entity treated as a partnership or a
933 disregarded entity under this chapter produces and sells
934 electricity from a new or expanded renewable energy facility,
935 the credit earned by such entity shall pass through in the same
936 manner as items of income and expense pass through for federal
937 income tax purposes. When an entity applies for the credit and
938 the entity has received the credit by a pass-through, the
939 application must identify the taxpayer that passed the credit
940 through, all taxpayers that received the credit, and the
941 percentage of the credit that passes through to each recipient
942 and must provide other information that the department requires.

943 (j)~~(k)~~ A taxpayer's use of the credit granted pursuant to
944 this section does not reduce the amount of any credit available
945 to such taxpayer under s. 220.186.

946 Section 14. Section 220.51, Florida Statutes, is amended to
947 read:

948 220.51 Promulgation of rules and regulations.—In accordance
949 with the Administrative Procedure Act, chapter 120, the
950 department is authorized to make, promulgate, and enforce such
951 reasonable rules and regulations, and to prescribe such forms
952 relating to the administration and enforcement of the provisions
953 of this code, as it may deem appropriate, including:

954 (1) Rules for initial implementation of this code and for
955 taxpayers' transitional taxable years commencing before and
956 ending after January 1, 1972; and

957 (2) Rules or regulations to clarify whether certain groups,

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958 organizations, or associations formed under the laws of this
959 state or any other state, country, or jurisdiction shall be
960 deemed "taxpayers" for the purposes of this code, in accordance
961 with the legislative declarations of intent in s. 220.02.~~7~~ and
962 ~~(3) Regulations relating to consolidated reporting for~~
963 ~~affiliated groups of corporations, in order to provide for an~~
964 ~~equitable and just administration of this code with respect to~~
965 ~~multicorporate taxpayers.~~

966 Section 15. Section 220.64, Florida Statutes, is amended to
967 read:

968 220.64 Other provisions applicable to franchise tax.—To the
969 extent that they are not manifestly incompatible with the
970 provisions of this part, parts I, III, IV, V, VI, VIII, IX, and
971 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
972 220.15, and 220.16 ~~ss. 220.12, 220.13, 220.15, and 220.16~~ apply
973 to the franchise tax imposed by this part. Under rules
974 prescribed in s. 220.131, a consolidated return may be filed by
975 any affiliated group of corporations composed of one or more
976 banks or savings associations, its or their Florida parent
977 corporation, and any nonbank or nonsavings subsidiaries of such
978 parent corporation.

979 Section 16. Transitional rules.—

980 (1) For the first tax year beginning on or after January 1,
981 2010, a taxpayer that filed a Florida corporate income tax
982 return in the preceding tax year and is a member of a water's
983 edge group shall compute its income together with all members of
984 its water's edge group and file a combined Florida corporate
985 income tax return with all members of its water's edge group.

986 (2) An affiliated group of corporations that filed a

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987 Florida consolidated corporate income tax return pursuant to an
988 election provided in s. 220.131, Florida Statutes, shall cease
989 filing a Florida consolidated return for tax years beginning on
990 or after January 1, 2010, and shall file a combined Florida
991 corporate income tax return with all members of its water's edge
992 group.

993 (3) An affiliated group of corporations that filed a
994 Florida consolidated corporate income tax return pursuant to the
995 election in s. 220.131(1), Florida Statutes (1985), which
996 allowed the affiliated group to make an election within 90 days
997 after December 20, 1984, or upon filing the taxpayer's first
998 return after December 20, 1984, whichever is later, shall cease
999 filing a Florida consolidated corporate income tax return using
1000 that method for tax years beginning on or after January 1, 2010,
1001 and shall file a combined Florida corporate income tax return
1002 with all members of its water's edge group.

1003 (4) Taxpayers that are not members of a water's edge group
1004 remain subject to chapter 220, Florida Statutes, and shall file
1005 a separate Florida corporate income tax return as previously
1006 required.

1007 (5) For the tax years beginning on or after January 1,
1008 2010, a tax return for a member of a water's edge group must be
1009 a combined Florida corporate income tax return that includes tax
1010 information for all members of the water's edge group. The tax
1011 return must be filed by a member that has a nexus with Florida.

1012 Section 17. Of the funds recaptured pursuant to this act,
1013 the sum of \$50 million is appropriated from the General Revenue
1014 Fund to the State University System for workforce education, to
1015 be allocated by the Board of Governors; the sum of \$50 million

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1016 is appropriated from the General Revenue Fund to community
1017 colleges for workforce education, to be allocated by the State
1018 Board of Education; and the remainder of such funds, as
1019 determined by the Revenue Estimating Conference, shall be
1020 appropriated from the General Revenue Fund and allocated as
1021 provided in the General Appropriations Act to the various school
1022 districts to reduce the required local effort millage.

1023 Section 18. Section 220.131, Florida Statutes, is repealed.

1024 Section 19. This act shall take effect July 1, 2009.