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593-05213A-09

Proposed Committee Substitute by the Committee on Finance and
Tax

1 A bill to be entitled
2 An act relating to the corporate income tax; amending
3 s. 220.03, F.S.; providing for the adoption of the
4 2009 version of the Internal Revenue Code; providing
5 exceptions; amending s. 220.13, F.S.; revising the
6 definition of the term "adjusted federal income" for
7 purposes of specifying the treatment by this state of
8 certain provisions dealing with depreciation and
9 expensing of assets and deferral of income that are
10 allowed for federal income tax purposes; authorizing
11 the Department of Revenue to adopt rules; providing
12 for retroactive operation; providing an effective
13 date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Paragraph (n) of subsection (1) and paragraph
18 (c) of subsection (2) of section 220.03, Florida Statutes, are
19 amended to read:

20 220.03 Definitions.—

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

25 (n) "Internal Revenue Code" means the United States
26 Internal Revenue Code of 1986, as amended and in effect on
27 January 1, 2009 ~~January 1, 2008~~, except as provided in



558484

593-05213A-09

28 subsection (3).

29 (2) DEFINITIONAL RULES.—When used in this code and neither
30 otherwise distinctly expressed nor manifestly incompatible with
31 the intent thereof:

32 (c) Any term used in this code shall have the same meaning
33 as when used in a comparable context in the Internal Revenue
34 Code and other statutes of the United States relating to federal
35 income taxes, as such code and statutes are in effect on January
36 1, 2009 ~~January 1, 2008~~. However, if subsection (3) is
37 implemented, the meaning of any term shall be taken at the time
38 the term is applied under this code.

39 Section 2. Paragraph (e) of subsection (1) of section
40 220.13, Florida Statutes, as created by section 2 of chapter
41 2009-18, Laws of Florida, is amended to read:

42 220.13 "Adjusted federal income" defined.

43 (1) The term "adjusted federal income" means an amount
44 equal to the taxpayer's taxable income as defined in subsection
45 (2), or such taxable income of more than one taxpayer as
46 provided in s. 220.131, for the taxable year, adjusted as
47 follows:

48 (e) Adjustments related to the Federal Economic Stimulus
49 Act of 2008 and the American Recovery and Reinvestment Act of
50 2009. Taxpayers shall be required to make the adjustments
51 prescribed in this paragraph for Florida tax purposes in
52 relation to certain tax benefits received pursuant to the
53 Economic Stimulus Act of 2008 and the American Recovery and
54 Reinvestment Act of 2009.

55 1. There shall be added to such taxable income an amount
56 equal to 100 percent of any amount deducted for federal income



558484

593-05213A-09

57 tax purposes as bonus depreciation for the taxable year pursuant
58 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
59 amended by s. 103 of Pub. L. No. 110-185 and s. 1201 of Pub. L.
60 No. 111-5, for property placed in service after December 31,
61 2007, and before January 1, 2010 ~~2009~~. For the taxable year and
62 for each of the 6 subsequent taxable years, there shall be
63 subtracted from such taxable income an amount equal to one-
64 seventh of the amount by which taxable income was increased
65 pursuant to this subparagraph, notwithstanding any sale or other
66 disposition of the property that is the subject of the
67 adjustments and regardless of whether such property remains in
68 service in the hands of the taxpayer.

69 2. There shall be added to such taxable income an amount
70 equal to 100 percent of any amount in excess of \$128,000
71 deducted for federal income tax purposes for the taxable year
72 pursuant to s. 179 of the Internal Revenue Code of 1986, as
73 amended by s. 102 of Pub. L. No. 110-185 and s. 1202 of Pub. L.
74 No. 111-5, for taxable years beginning after December 31, 2007,
75 and before January 1, 2010 ~~2009~~. For the taxable year and for
76 each of the 6 subsequent taxable years, there shall be
77 subtracted from such taxable income one-seventh of the amount by
78 which taxable income was increased pursuant to this
79 subparagraph, notwithstanding any sale or other disposition of
80 the property that is the subject of the adjustments and
81 regardless of whether such property remains in service in the
82 hands of the taxpayer.

83 3. There shall be added to such taxable income an amount
84 equal to the amount of deferred income not included in such
85 taxable income pursuant to s. 108(i)(1) of the Internal Revenue



558484

593-05213A-09

86 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
87 shall be subtracted from such taxable income an amount equal to
88 the amount of deferred income included in such taxable income
89 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
90 as amended by s. 1231 of Pub. L. No. 111-5.

91 ~~4.3.~~ Subtractions available under this paragraph may be
92 transferred to the surviving or acquiring entity following a
93 merger or acquisition and used in the same manner and with the
94 same limitations as specified by this paragraph.

95 ~~5.4.~~ The additions and subtractions specified in this
96 paragraph are intended to adjust taxable income for Florida tax
97 purposes, and, notwithstanding any other provision of this code,
98 such additions and subtractions shall be permitted to change a
99 taxpayer's net operating loss for Florida tax purposes.

100 Section 3. The Department of Revenue may adopt rules
101 necessary to administer the provisions of this act.

102 Section 4. This act shall take effect upon becoming a law
103 and shall operate retroactively to January 1, 2009.