

By the Committees on Budget; Budget Subcommittee on Finance and Tax; and Budget Subcommittee on Finance and Tax; and Senators Alexander and Bogdanoff

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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 2011 version of the Internal Revenue Code; amending s.
5 220.13, F.S.; specifying the treatment by this state
6 of certain depreciation and expensing of assets that
7 are allowed for federal income tax purposes;
8 authorizing the executive director of the Department
9 of Revenue to adopt emergency rules; providing an
10 appropriation; providing for the reversion of funds
11 and reappropriation; providing for retroactive
12 application; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

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

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

23 (n) "Internal Revenue Code" means the United States
24 Internal Revenue Code of 1986, as amended and in effect on
25 January 1, 2011 ~~2010~~, except as provided in subsection (3).

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

29 (a) The word "corporation" or "taxpayer" shall be deemed to

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30 include the words "and its successors and assigns" as if these
31 words, or words of similar import, were expressed;

32 (b) Any term used in any section of this code with respect
33 to the application of, or in connection with, the provisions of
34 any other section of this code shall have the same meaning as in
35 such other section; and

36 (c) Any term used in this code shall have the same meaning
37 as when used in a comparable context in the Internal Revenue
38 Code and other statutes of the United States relating to federal
39 income taxes, as such code and statutes are in effect on January
40 1, 2011 ~~2010~~. However, if subsection (3) is implemented, the
41 meaning of any term shall be taken at the time the term is
42 applied under this code.

43 Section 2. Paragraph (e) of subsection (1) of section
44 220.13, Florida Statutes, is amended to read:

45 220.13 "Adjusted federal income" defined.—

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

51 (e) *Adjustments related to the Federal Economic Stimulus*
52 *Act of 2008, ~~and~~ the American Recovery and Reinvestment Act of*
53 *2009, the Small Business Jobs Act of 2010, and the Tax Relief,*
54 *Unemployment Insurance Reauthorization, and Job Creation Act of*
55 *2010.*—Taxpayers shall be required to make the adjustments
56 prescribed in this paragraph for Florida tax purposes in
57 relation to certain tax benefits received pursuant to the
58 Economic Stimulus Act of 2008, ~~and~~ the American Recovery and

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59 Reinvestment Act of 2009, the Small Business Jobs Act of 2010,
60 and the Tax Relief, Unemployment Insurance Reauthorization, and
61 Job Creation Act of 2010.

62 1. There shall be added to such taxable income an amount
63 equal to 100 percent of any amount deducted for federal income
64 tax purposes as bonus depreciation for the taxable year pursuant
65 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
66 amended by s. 103 of Pub. L. No. 110-185, ~~and~~ s. 1201 of Pub. L.
67 No. 111-5, s. 2022 of Pub. L. No. 111-240, and s. 401 of Pub. L.
68 No. 111-312, for property placed in service after December 31,
69 2007, and before January 1, 2013 ~~2010~~. For the taxable year and
70 for each of the 6 subsequent taxable years, there shall be
71 subtracted from such taxable income an amount equal to one-
72 seventh of the amount by which taxable income was increased
73 pursuant to this subparagraph, notwithstanding any sale or other
74 disposition of the property that is the subject of the
75 adjustments and regardless of whether such property remains in
76 service in the hands of the taxpayer.

77 2. There shall be added to such taxable income an amount
78 equal to 100 percent of any amount in excess of \$128,000
79 deducted for federal income tax purposes for the taxable year
80 pursuant to s. 179 of the Internal Revenue Code of 1986, as
81 amended by s. 102 of Pub. L. No. 110-185, ~~and~~ s. 1202 of Pub. L.
82 No. 111-5, s. 2021 of Pub. L. No. 111-240, and s. 402 of Pub. L.
83 No. 111-312, for taxable years beginning after December 31,
84 2007, and before January 1, 2013 ~~2010~~. For the taxable year and
85 for each of the 6 subsequent taxable years, there shall be
86 subtracted from such taxable income one-seventh of the amount by
87 which taxable income was increased pursuant to this

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88 subparagraph, notwithstanding any sale or other disposition of
89 the property that is the subject of the adjustments and
90 regardless of whether such property remains in service in the
91 hands of the taxpayer.

92 3. There shall be added to such taxable income an amount
93 equal to the amount of deferred income not included in such
94 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
95 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
96 shall be subtracted from such taxable income an amount equal to
97 the amount of deferred income included in such taxable income
98 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
99 as amended by s. 1231 of Pub. L. No. 111-5.

100 4. Subtractions available under this paragraph may be
101 transferred to the surviving or acquiring entity following a
102 merger or acquisition and used in the same manner and with the
103 same limitations as specified by this paragraph.

104 5. The additions and subtractions specified in this
105 paragraph are intended to adjust taxable income for Florida tax
106 purposes, and, notwithstanding any other provision of this code,
107 such additions and subtractions shall be permitted to change a
108 taxpayer's net operating loss for Florida tax purposes.

109 Section 3. (1) The executive director of the Department of
110 Revenue is authorized, and all conditions are deemed met, to
111 adopt emergency rules under ss. 120.536(1) and 120.54(4),
112 Florida Statutes, for the purpose of implementing this act.

113 (2) Notwithstanding any other provision of law, the
114 emergency rules shall remain in effect for 6 months after they
115 are adopted and may be renewed during the pendency of procedures
116 to adopt permanent rules addressing the subject of the emergency

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117 rules.

118 Section 4. For the 2010-2011 fiscal year, the sum of
119 \$99,740 in nonrecurring funds is appropriated from the General
120 Revenue Fund to the Department of Revenue for purposes of
121 implementing this act. Funds remaining unexpended or
122 unencumbered from this appropriation as of June 30, 2011, shall
123 revert and be reappropriated for the same purpose in the 2011-
124 2012 fiscal year.

125 Section 5. This act shall take effect upon becoming a law,
126 and shall operate retroactively to January 1, 2011.