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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/02/2014	.	
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Appropriations Subcommittee on Finance and Tax (Evers)
recommended the following:

Senate Amendment to Amendment (731766)

Delete lines 37 - 140

and insert:

of the qualified subcontract award if such prime contractor:

(a) Is subject to chapter 220;

(b) Is awarded qualified defense work; and

(c) Awards a qualified subcontract award.

(3) A Florida prime contractor may reduce its adjusted
federal income under subsection (2) only for taxable years



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11 beginning on or after January 1, 2014, and must apply separately
12 to the department for each qualified subcontract award and
13 provide the department required documentation, including, but
14 not limited to, the application for the award and copies of
15 contracts, tax records, or employment records.

16 (4) The department may establish application, approval,
17 appeal, and accountability processes as necessary. The
18 department may consult with Enterprise Florida, Inc., and the
19 Florida Defense Support Task Force as necessary to administer
20 this section.

21 (a) Within 10 days after certifying a qualified subcontract
22 award, the department shall provide:

- 23 1. A letter certifying the award to the applicant; and
24 2. A copy of the letter certifying the award to the
25 Department of Revenue.

26 (b) The department may certify, for each Florida prime
27 contractor applicant per calendar year, up to \$250 million in
28 aggregate qualified subcontract awards.

29 (c) The department may certify in total, per calendar year,
30 up to \$2.5 billion in aggregate qualified subcontract awards.

31 (d) For a multiyear qualified subcontract award, the
32 department shall certify the full amount of the award under
33 paragraphs (b) and (c) in the calendar year it was awarded.

34 (e) The Florida prime contractor may reduce its adjusted
35 federal income under subsection (2) in the taxable years in
36 which payments are made to the Florida small business
37 subcontractor.

38 (5) The department and the Department of Revenue may adopt
39 rules to administer this section.



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40 Section 2. Paragraph (b) of subsection (1) of 220.13,
41 Florida Statutes, 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 (b) *Subtractions*.—

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

50 a. The net operating loss deduction allowable for federal
51 income tax purposes under s. 172 of the Internal Revenue Code
52 for the taxable year, except that any net operating loss that is
53 transferred pursuant to s. 220.194(6) may not be deducted by the
54 seller;τ

55 b. The net capital loss allowable for federal income tax
56 purposes under s. 1212 of the Internal Revenue Code for the
57 taxable year;τ

58 c. The excess charitable contribution deduction allowable
59 for federal income tax purposes under s. 170(d)(2) of the
60 Internal Revenue Code for the taxable year;τ and

61 d. The excess contributions deductions allowable for
62 federal income tax purposes under s. 404 of the Internal Revenue
63 Code for the taxable year.

64

65 However, a net operating loss and a capital loss shall never be
66 carried back as a deduction to a prior taxable year, but all
67 deductions attributable to such losses shall be deemed net
68 operating loss carryovers and capital loss carryovers,



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69 respectively, and treated in the same manner, to the same
70 extent, and for the same time periods as are prescribed for such
71 carryovers in ss. 172 and 1212, respectively, of the Internal
72 Revenue Code.

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

75 a. Dividends treated as received from sources without the
76 United States, as determined under s. 862 of the Internal
77 Revenue Code.

78 b. All amounts included in taxable income under s. 78 or s.
79 951 of the Internal Revenue Code.

80

81 However, as to any amount subtracted under this subparagraph,
82 there shall be added to such taxable income all expenses
83 deducted on the taxpayer's return for the taxable year which are
84 attributable, directly or indirectly, to such subtracted amount.
85 Further, no amount shall be subtracted with respect to dividends
86 paid or deemed paid by a Domestic International Sales
87 Corporation.

88 3. In computing "adjusted federal income" for taxable years
89 beginning after December 31, 1976, there shall be allowed as a
90 deduction the amount of wages and salaries paid or incurred
91 within this state for the taxable year for which no deduction is
92 allowed pursuant to s. 280C(a) of the Internal Revenue Code
93 (relating to credit for employment of certain new employees).

94 4. There shall be subtracted from such taxable income any
95 amount of nonbusiness income included therein.

96 5. There shall be subtracted any amount of taxes of foreign
97 countries allowable as credits for taxable years beginning on or



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98 after September 1, 1985, under s. 901 of the Internal Revenue
99 Code to any corporation which derived less than 20 percent of
100 its gross income or loss for its taxable year ended in 1984 from
101 sources within the United States, as described in s.
102 861(a)(2)(A) of the Internal Revenue Code, not including credits
103 allowed under ss. 902 and 960 of the Internal Revenue Code,
104 withholding taxes on dividends within the meaning of sub-
105 subparagraph 2.a., and withholding taxes on royalties, interest,
106 technical service fees, and capital gains.

107 6. There shall be subtracted from such taxable income 4
108 percent of the amount of the qualified subcontract award
109 certified by the