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LEGISLATIVE ACTION

Senate

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House

Appropriations Subcommittee on Finance and Tax (Stargel)
recommended the following:

Senate Amendment (with title amendment)

Between lines 29 and 30

insert:

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

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount
equal to the taxpayer's taxable income as defined in subsection
(2), or such taxable income of more than one taxpayer as



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11 provided in s. 220.131, for the taxable year, adjusted as
12 follows:

13 (e) *Adjustments related to federal acts.*—Taxpayers shall be
14 required to make the adjustments prescribed in this paragraph
15 for Florida tax purposes with respect to certain tax benefits
16 received pursuant to the Economic Stimulus Act of 2008, the
17 American Recovery and Reinvestment Act of 2009, the Small
18 Business Jobs Act of 2010, the Tax Relief, Unemployment
19 Insurance Reauthorization, and Job Creation Act of 2010, the
20 American Taxpayer Relief Act of 2012, the Tax Increase
21 Prevention Act of 2014, ~~and~~ the Consolidated Appropriations Act,
22 2016, and the Tax Cuts and Jobs Act of 2017.

23 1. There shall be added to such taxable income an amount
24 equal to 100 percent of any amount deducted for federal income
25 tax purposes as bonus depreciation for the taxable year pursuant
26 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
27 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
28 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.
29 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.
30 113-295, ~~and~~ s. 143 of Division Q of Pub. L. No. 114-113, and s.
31 13201 of Pub. L. No. 115-97, for property placed in service
32 after December 31, 2007, and before January 1, 2027 ~~2021~~. For
33 the taxable year and for each of the 6 subsequent taxable years,
34 there shall be subtracted from such taxable income an amount
35 equal to one-seventh of the amount by which taxable income was
36 increased pursuant to this subparagraph, notwithstanding any
37 sale or other disposition of the property that is the subject of
38 the adjustments and regardless of whether such property remains
39 in service in the hands of the taxpayer.



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40 2. There shall be added to such taxable income an amount
41 equal to 100 percent of any amount in excess of \$128,000
42 deducted for federal income tax purposes for the taxable year
43 pursuant to s. 179 of the Internal Revenue Code of 1986, as
44 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
45 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.
46 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.
47 No. 113-295, for taxable years beginning after December 31,
48 2007, and before January 1, 2015. For the taxable year and for
49 each of the 6 subsequent taxable years, there shall be
50 subtracted from such taxable income one-seventh of the amount by
51 which taxable income was increased pursuant to this
52 subparagraph, notwithstanding any sale or other disposition of
53 the property that is the subject of the adjustments and
54 regardless of whether such property remains in service in the
55 hands of the taxpayer.

56 3. There shall be added to such taxable income an amount
57 equal to the amount of deferred income not included in such
58 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
59 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
60 shall be subtracted from such taxable income an amount equal to
61 the amount of deferred income included in such taxable income
62 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
63 as amended by s. 1231 of Pub. L. No. 111-5.

64 4. Subtractions available under this paragraph may be
65 transferred to the surviving or acquiring entity following a
66 merger or acquisition and used in the same manner and with the
67 same limitations as specified by this paragraph.

68 5. The additions and subtractions specified in this



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69 paragraph are intended to adjust taxable income for Florida tax
70 purposes, and, notwithstanding any other provision of this code,
71 such additions and subtractions shall be permitted to change a
72 taxpayer's net operating loss for Florida tax purposes.

73 Section 3. The Legislature recognizes that the Tax Cuts and
74 Jobs Act of 2017 will have significant effects on the state
75 corporate income tax and on corporate taxpayers when it is fully
76 implemented. To better understand these effects, the Legislature
77 finds the following actions are necessary:

78 (1) The Department of Revenue shall establish a workgroup
79 to examine how the implementation of the Tax Cuts and Jobs Act
80 of 2017 will affect the state corporate income tax.

81 (2) The workgroup must consist of employees of the
82 department who have expertise in state and federal corporate
83 income tax and other employees who may assist the workgroup. In
84 performing its duties, the workgroup shall consult with the
85 Revenue Estimating Conference. The workgroup must seek and
86 consider comments from the private sector.

87 (3) By February 1, 2019, the workgroup shall submit a
88 report to the Governor, the President of the Senate, the Speaker
89 of the House, and the chairs of appropriate legislative
90 committees. At a minimum, the report must address the following:

91 (a) A comprehensive discussion of any issues the workgroup
92 determines will have an effect on the state corporate tax
93 structure and on corporate tax revenues.

94 (b) Options for changes to state tax law which may be
95 needed to integrate state law with federal law.

96 (c) The potential fiscal impact of each option on the state
97 and on taxpayers.



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98 (d) Whether the workgroup should be extended.

99 (e) Any other information the workgroup determines will
100 assist the Legislature.

101 (4) The workgroup shall submit status reports to the chairs
102 of appropriate legislative committees on May 15, 2018, July 15,
103 2018, September 15, 2018, and November 15, 2018. At a minimum,
104 the status reports must include a brief description of the
105 workgroup's activities and any guidance issued by the Internal
106 Revenue Service relevant to the workgroup's duties.

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108 ===== T I T L E A M E N D M E N T =====

109 And the title is amended as follows:

110 Delete line 4

111 and insert:

112 Internal Revenue Code; amending s. 220.13, F.S.;

113 revising the definition of the term "adjusted federal

114 income" relating to adjustments related to federal

115 acts; providing legislative findings; requiring the

116 Department of Revenue to establish a workgroup for

117 certain purposes; specifying the composition of the

118 workgroup; requiring the workgroup to consult with the

119 Revenue Estimating Conference and seek and consider

120 comments from the private sector; requiring the

121 workgroup to submit a specified report to the Governor

122 and Legislature by a specified date; requiring the

123 workgroup to submit status reports to appropriate

124 legislative committees on specified dates; providing

125 retroactive