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LEGISLATIVE ACTION

Senate	.	House
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Floor: 1/AD/3R	.	Floor: CA
03/08/2018 01:34 PM	.	03/09/2018 06:16 PM
	.	

Senator Stargel moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (n) of subsection (1) and paragraph
(c) of subsection (2) of section 220.03, Florida Statutes, are
amended 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



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12 meanings:

13 (n) "Internal Revenue Code" means the United States
14 Internal Revenue Code of 1986, as amended and in effect on
15 January 1, 2018 ~~2017~~, except as provided in subsection (3).

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

19 (c) Any term used in this code has the same meaning as when
20 used in a comparable context in the Internal Revenue Code and
21 other statutes of the United States relating to federal income
22 taxes, as such code and statutes are in effect on January 1,
23 2018 ~~2017~~. However, if subsection (3) is implemented, the
24 meaning of a term shall be taken at the time the term is applied
25 under this code.

26 Section 2. Paragraph (e) of subsection (1) of section
27 220.13, Florida Statutes, is amended to read:

28 220.13 "Adjusted federal income" defined.—

29 (1) The term "adjusted federal income" means an amount
30 equal to the taxpayer's taxable income as defined in subsection
31 (2), or such taxable income of more than one taxpayer as
32 provided in s. 220.131, for the taxable year, adjusted as
33 follows:

34 (e) *Adjustments related to federal acts.*—Taxpayers shall be
35 required to make the adjustments prescribed in this paragraph
36 for Florida tax purposes with respect to certain tax benefits
37 received pursuant to the Economic Stimulus Act of 2008, the
38 American Recovery and Reinvestment Act of 2009, the Small
39 Business Jobs Act of 2010, the Tax Relief, Unemployment
40 Insurance Reauthorization, and Job Creation Act of 2010, the



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41 American Taxpayer Relief Act of 2012, the Tax Increase
42 Prevention Act of 2014, ~~and~~ the Consolidated Appropriations Act,
43 2016, and the Tax Cuts and Jobs Act of 2017.

44 1. There shall be added to such taxable income an amount
45 equal to 100 percent of any amount deducted for federal income
46 tax purposes as bonus depreciation for the taxable year pursuant
47 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
48 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
49 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.
50 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.
51 113-295, ~~and~~ s. 143 of Division Q of Pub. L. No. 114-113, and s.
52 13201 of Pub. L. No. 115-97, for property placed in service
53 after December 31, 2007, and before January 1, 2027 ~~2021~~. For
54 the taxable year and for each of the 6 subsequent taxable years,
55 there shall be subtracted from such taxable income an amount
56 equal to one-seventh of the amount by which taxable income was
57 increased pursuant to this subparagraph, notwithstanding any
58 sale or other disposition of the property that is the subject of
59 the adjustments and regardless of whether such property remains
60 in service in the hands of the taxpayer.

61 2. There shall be added to such taxable income an amount
62 equal to 100 percent of any amount in excess of \$128,000
63 deducted for federal income tax purposes for the taxable year
64 pursuant to s. 179 of the Internal Revenue Code of 1986, as
65 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
66 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.
67 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.
68 No. 113-295, for taxable years beginning after December 31,
69 2007, and before January 1, 2015. For the taxable year and for



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70 each of the 6 subsequent taxable years, there shall be
71 subtracted from such taxable income one-seventh of the amount by
72 which taxable income was increased pursuant to this
73 subparagraph, notwithstanding any sale or other disposition of
74 the property that is the subject of the adjustments and
75 regardless of whether such property remains in service in the
76 hands of the taxpayer.

77 3. There shall be added to such taxable income an amount
78 equal to the amount of deferred income not included in such
79 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
80 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
81 shall be subtracted from such taxable income an amount equal to
82 the amount of deferred income included in such taxable income
83 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
84 as amended by s. 1231 of Pub. L. No. 111-5.

85 4. Subtractions available under this paragraph may be
86 transferred to the surviving or acquiring entity following a
87 merger or acquisition and used in the same manner and with the
88 same limitations as specified by this paragraph.

89 5. The additions and subtractions specified in this
90 paragraph are intended to adjust taxable income for Florida tax
91 purposes, and, notwithstanding any other provision of this code,
92 such additions and subtractions shall be permitted to change a
93 taxpayer's net operating loss for Florida tax purposes.

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



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99 (1) The Department of Revenue shall examine how the Tax
100 Cuts and Jobs Act of 2017 will affect the state corporate income
101 tax as a result of the state's adoption of the Internal Revenue
102 Code by this act.

103 (2) The Department of Revenue shall monitor guidance
104 provided by the Internal Revenue Service and other tax
105 authorities and advisory groups, and shall conduct at least two
106 public workshops to gather public input. In addition, the
107 department shall develop a process outside of the public
108 workshops for receiving public input regarding the Tax Cuts and
109 Jobs Act of 2017 and its potential effects on the state
110 corporate income tax and the businesses that pay the tax.

111 (3) By February 1, 2019, the Department of Revenue shall
112 submit a report to the Governor, the President of the Senate,
113 the Speaker of the House of Representatives, and the chairs of
114 appropriate legislative committees. At a minimum, the report
115 must include the following:

116 (a) A comprehensive discussion of the potential effects of
117 the Tax Cuts and Jobs Act of 2017 on the state corporate income
118 tax structure and revenues.

119 (b) Options for changes the Legislature could make to state
120 tax law which may be needed to integrate state law with federal
121 law.

122 (c) An estimate of the potential fiscal impact of each
123 option.

124 (d) A compilation of the input received from the public
125 through the public workshops and otherwise.

126 (e) Any other information the Department of Revenue
127 determines will assist the Legislature in evaluating the impact



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128 of the Tax Cuts and Jobs Act of 2017 on the state corporate
129 income tax structure and revenues.

130 (4) The Department of Revenue shall submit status reports
131 to the chairs of appropriate legislative committees on August 3,
132 2018, and November 16, 2018. At a minimum, the status reports
133 must include a brief description of the department's activities
134 and any relevant guidance issued by the Internal Revenue
135 Service.

136 (5) The Department of Revenue shall consult with the
137 Revenue Estimating Conference on the development of the required
138 reports.

139 Section 4. This act shall take effect upon becoming a law
140 and operate retroactively to January 1, 2018.

141
142 ===== T I T L E A M E N D M E N T =====
143 And the title is amended as follows:

144 Delete everything before the enacting clause
145 and insert:

146 A bill to be entitled
147 An act relating to the corporate income tax; amending
148 s. 220.03, F.S.; adopting the 2018 version of the
149 Internal Revenue Code; amending s. 220.13, F.S.;
150 revising the definition of the term "adjusted federal
151 income" relating to adjustments related to federal
152 acts; providing legislative findings; requiring the
153 Department of Revenue to make a certain examination,
154 monitor guidance by the Internal Revenue Service,
155 conduct workshops, and develop a certain process
156 regarding the Tax Cuts and Jobs Act of 2017; requiring



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157 the department to submit a specified report to the
158 Governor and Legislature by a certain date; requiring
159 the department to provide certain status reports to
160 the Legislature on specified dates; requiring the
161 department to consult with the Revenue Estimating
162 Conference in developing required reports; providing
163 for retroactive operation; providing an effective
164 date.