

By Senator Gruters

23-01946A-19

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1                   A bill to be entitled  
2           An act relating to corporate taxable income  
3           adjustments; amending s. 220.13, F.S.; providing that,  
4           for the purposes of calculating adjusted federal  
5           income, motor vehicle rental or leasing companies are  
6           not required to add to their taxable income certain  
7           amounts deducted for federal income tax purposes as  
8           bonus depreciation; defining the term "motor vehicle  
9           rental or leasing company"; providing retroactive  
10          applicability; authorizing the Department of Revenue  
11          to adopt emergency rules; providing for the expiration  
12          and renewal of such rules; providing an effective  
13          date.

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

16  
17           Section 1. Paragraph (e) of subsection (1) of section  
18   220.13, Florida Statutes, is amended to read:

19           220.13 "Adjusted federal income" defined.—

20           (1) The term "adjusted federal income" means an amount  
21   equal to the taxpayer's taxable income as defined in subsection  
22   (2), or such taxable income of more than one taxpayer as  
23   provided in s. 220.131, for the taxable year, adjusted as  
24   follows:

25           (e) *Adjustments related to federal acts.*—Taxpayers shall be  
26   required to make the adjustments prescribed in this paragraph  
27   for Florida tax purposes with respect to certain tax benefits  
28   received pursuant to the Economic Stimulus Act of 2008, the  
29   American Recovery and Reinvestment Act of 2009, the Small

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30 Business Jobs Act of 2010, the Tax Relief, Unemployment  
31 Insurance Reauthorization, and Job Creation Act of 2010, the  
32 American Taxpayer Relief Act of 2012, the Tax Increase  
33 Prevention Act of 2014, the Consolidated Appropriations Act,  
34 2016, and the Tax Cuts and Jobs Act of 2017.

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

53 b. If the property that is the subject of the adjustments  
54 under subparagraph a. is a motor vehicle owned by a motor  
55 vehicle rental or leasing company, the motor vehicle rental or  
56 leasing company is not required to add to its taxable income any  
57 amount deducted for federal income tax purposes as bonus  
58 depreciation for the taxable year pursuant to ss. 167 and 168(k)

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59 of the Internal Revenue Code of 1986, as amended by s. 103 of  
60 Pub. L. No. 110-185, s. 1201 of Pub. L. No. 111-5, s. 2022 of  
61 Pub. L. No. 111-240, s. 401 of Pub. L. No. 111-312, s. 331 of  
62 Pub. L. No. 112-240, s. 125 of Pub. L. No. 113-295, s. 143 of  
63 Division Q of Pub. L. No. 114-113, and s. 13201 of Pub. L. No.  
64 115-97. As used in this subparagraph, the term "motor vehicle  
65 rental or leasing company" means an entity that is engaged in  
66 the business of renting or leasing motor vehicles to the general  
67 public and that rents or leases a majority of its motor vehicles  
68 to persons with no direct or indirect affiliation with the  
69 entity.

70       2. There shall be added to such taxable income an amount  
71 equal to 100 percent of any amount in excess of \$128,000  
72 deducted for federal income tax purposes for the taxable year  
73 pursuant to s. 179 of the Internal Revenue Code of 1986, as  
74 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.  
75 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.  
76 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.  
77 No. 113-295, for taxable years beginning after December 31,  
78 2007, and before January 1, 2015. For the taxable year and for  
79 each of the 6 subsequent taxable years, there shall be  
80 subtracted from such taxable income one-seventh of the amount by  
81 which taxable income was increased pursuant to this  
82 subparagraph, notwithstanding any sale or other disposition of  
83 the property that is the subject of the adjustments and  
84 regardless of whether such property remains in service in the  
85 hands of the taxpayer.

86       3. There shall be added to such taxable income an amount  
87 equal to the amount of deferred income not included in such

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

94 4. Subtractions available under this paragraph may be  
95 transferred to the surviving or acquiring entity following a  
96 merger or acquisition and used in the same manner and with the  
97 same limitations as specified by this paragraph.

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

103 Section 2. The amendment made by this act to s. 220.13,  
104 Florida Statutes, applies retroactively to taxable years  
105 beginning on or after January 1, 2018.

106 Section 3. (1) The Department of Revenue is authorized, and  
107 all conditions are deemed to be met, to adopt emergency rules  
108 pursuant to s. 120.54(4), Florida Statutes, for the purpose of  
109 administering the amendment made by this act to s. 220.13,  
110 Florida Statutes.

111 (2) Notwithstanding any other law, emergency rules adopted  
112 pursuant to subsection (1) are effective for 6 months after  
113 adoption and may be renewed during the pendency of procedures to  
114 adopt permanent rules addressing the subject of the emergency  
115 rules.

116 Section 4. This act shall take effect upon becoming a law.