

By the Committee on Commerce and Tourism; and Senator Gruters

577-02684-19

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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:

66 (I) An assignee from a retail lessor, as defined in s.
67 521.003, with a majority of its lease transactions for motor
68 vehicles to persons with no direct or indirect affiliation with
69 the entity; or

70 (II) An entity that is engaged in the business of renting
71 or leasing motor vehicles to the general public and that rents
72 or leases a majority of its motor vehicles to persons with no
73 direct or indirect affiliation with the entity.

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

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88 regardless of whether such property remains in service in the
89 hands of the taxpayer.

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

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

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

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

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

115 (2) Notwithstanding any other law, emergency rules adopted
116 pursuant to subsection (1) are effective for 6 months after

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117 adoption and may be renewed during the pendency of procedures to
118 adopt permanent rules addressing the subject of the emergency
119 rules.

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