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LEGISLATIVE ACTION

Senate	.	House
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Floor: NC/2R	.	
03/12/2020 07:01 PM	.	
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Senator Rodriguez moved the following:

1           **Senate Amendment to Amendment (882296) (with title**  
2 **amendment)**

3  
4           Between lines 3370 and 3371  
5 insert:

6           Section 72. Effective January 1, 2021, paragraph (z) of  
7 subsection (1) of section 220.03, Florida Statutes, is amended,  
8 and paragraphs (gg), (hh), and (ii) are added to that  
9 subsection, to read:

10           220.03 Definitions.—

11           (1) SPECIFIC TERMS.—When used in this code, and when not



348766

12 otherwise distinctly expressed or manifestly incompatible with  
13 the intent thereof, the following terms shall have the following  
14 meanings:

15 (z) "Taxpayer" means any corporation subject to the tax  
16 imposed by this code, and includes all corporations that are  
17 members of a water's edge group ~~for which a consolidated return~~  
18 ~~is filed under s. 220.131.~~ However, the term "taxpayer" does not  
19 include a corporation having no individuals, ~~(including~~  
20 ~~individuals employed by an affiliate,~~) receiving compensation in  
21 this state as defined in s. 220.15 when the only property owned  
22 or leased by the said corporation, ~~(including an affiliate,~~) in  
23 this state is located at the premises of a printer with which it  
24 has contracted for printing, if such property consists of the  
25 final printed product, property which becomes a part of the  
26 final printed product, or property from which the printed  
27 product is produced.

28 (gg) "Tax haven" means a jurisdiction to which any of the  
29 following apply for a particular taxable year:

30 1. It is identified by the Organization for Economic Co-  
31 operation and Development as a tax haven or as having harmful  
32 tax practices or a preferential tax regime.

33 2. It is a jurisdiction that does not impose any, or  
34 imposes only a nominal, effective tax on relevant income.

35 3. It has laws or practices that prevent the effective  
36 exchange of information for tax purposes with other governments  
37 regarding taxpayers who are subject to, or who are benefiting  
38 from, the tax regime.

39 4. It lacks transparency. For purposes of this  
40 subparagraph, a tax regime lacks transparency if the details of



348766

41 legislative, legal, or administrative requirements are not open  
42 to public scrutiny and apparent or are not consistently applied  
43 among similarly situated taxpayers.

44 5. It facilitates the establishment of foreign-owned  
45 entities without the need for a local substantive presence or  
46 prohibits the entities from having any commercial impact on the  
47 local economy.

48 6. It explicitly or implicitly excludes the jurisdiction's  
49 resident taxpayers from taking advantage of the tax regime's  
50 benefits or prohibits enterprises that benefit from the regime  
51 from operating in the jurisdiction's domestic market.

52 7. It has created a tax regime that is favorable for tax  
53 avoidance based on an overall assessment of relevant factors,  
54 including whether the jurisdiction has a significant untaxed  
55 offshore financial or other services sector relative to its  
56 overall economy.

57 (hh) "Tax regime" means a set or system of rules, laws,  
58 regulations, or practices by which taxes are imposed on any  
59 person, corporation, or entity or on any income, property,  
60 incident, indicia, or activity pursuant to government authority.

61 (ii) "Water's edge group" means a group of corporations  
62 related through common ownership whose business activities are  
63 integrated with, are dependent upon, or contribute to a flow of  
64 value among members of the group.

65 Section 73. Effective January 1, 2021, section 220.13,  
66 Florida Statutes, as amended by this act, is amended to read:

67 220.13 "Adjusted federal income" defined.—

68 (1) The term "adjusted federal income" means an amount  
69 equal to the taxpayer's taxable income as defined in subsection



348766

70 (2), or such taxable income of a water's edge group ~~more than~~  
71 ~~one taxpayer~~ as provided in s. 220.1363 ~~s. 220.131~~, for the  
72 taxable year, adjusted as follows:

73 (a) *Additions.*—There shall be added to such taxable income:

74 1.a. The amount of any tax upon or measured by income,  
75 excluding taxes based on gross receipts or revenues, paid or  
76 accrued as a liability to the District of Columbia or any state  
77 of the United States which is deductible from gross income in  
78 the computation of taxable income for the taxable year.

79 b. Notwithstanding sub-subparagraph a., if a credit taken  
80 under s. 220.1875 or s. 220.1876 is added to taxable income in a  
81 previous taxable year under subparagraph 11. and is taken as a  
82 deduction for federal tax purposes in the current taxable year,  
83 the amount of the deduction allowed shall not be added to  
84 taxable income in the current year. The exception in this sub-  
85 subparagraph is intended to ensure that the credit under s.  
86 220.1875 or s. 220.1876 is added in the applicable taxable year  
87 and does not result in a duplicate addition in a subsequent  
88 year.

89 2. The amount of interest which is excluded from taxable  
90 income under s. 103(a) of the Internal Revenue Code or any other  
91 federal law, less the associated expenses disallowed in the  
92 computation of taxable income under s. 265 of the Internal  
93 Revenue Code or any other law, excluding 60 percent of any  
94 amounts included in alternative minimum taxable income, as  
95 defined in s. 55(b) (2) of the Internal Revenue Code, if the  
96 taxpayer pays tax under s. 220.11(3).

97 3. In the case of a regulated investment company or real  
98 estate investment trust, an amount equal to the excess of the



348766

99 net long-term capital gain for the taxable year over the amount  
100 of the capital gain dividends attributable to the taxable year.

101 4. That portion of the wages or salaries paid or incurred  
102 for the taxable year which is equal to the amount of the credit  
103 allowable for the taxable year under s. 220.181. This  
104 subparagraph shall expire on the date specified in s. 290.016  
105 for the expiration of the Florida Enterprise Zone Act.

106 5. That portion of the ad valorem school taxes paid or  
107 incurred for the taxable year which is equal to the amount of  
108 the credit allowable for the taxable year under s. 220.182. This  
109 subparagraph shall expire on the date specified in s. 290.016  
110 for the expiration of the Florida Enterprise Zone Act.

111 6. The amount taken as a credit under s. 220.195 which is  
112 deductible from gross income in the computation of taxable  
113 income for the taxable year.

114 7. That portion of assessments to fund a guaranty  
115 association incurred for the taxable year which is equal to the  
116 amount of the credit allowable for the taxable year.

117 8. In the case of a nonprofit corporation which holds a  
118 pari-mutuel permit and which is exempt from federal income tax  
119 as a farmers' cooperative, an amount equal to the excess of the  
120 gross income attributable to the pari-mutuel operations over the  
121 attributable expenses for the taxable year.

122 9. The amount taken as a credit for the taxable year under  
123 s. 220.1895.

124 10. Up to nine percent of the eligible basis of any  
125 designated project which is equal to the credit allowable for  
126 the taxable year under s. 220.185.

127 11. Any amount taken as a credit for the taxable year under



348766

128 s. 220.1875 or s. 220.1876. The addition in this subparagraph is  
129 intended to ensure that the same amount is not allowed for the  
130 tax purposes of this state as both a deduction from income and a  
131 credit against the tax. This addition is not intended to result  
132 in adding the same expense back to income more than once.

133 12. The amount taken as a credit for the taxable year under  
134 s. 220.192.

135 13. The amount taken as a credit for the taxable year under  
136 s. 220.193.

137 14. Any portion of a qualified investment, as defined in s.  
138 288.9913, which is claimed as a deduction by the taxpayer and  
139 taken as a credit against income tax pursuant to s. 288.9916.

140 15. The costs to acquire a tax credit pursuant to s.  
141 288.1254(5) that are deducted from or otherwise reduce federal  
142 taxable income for the taxable year.

143 16. The amount taken as a credit for the taxable year  
144 pursuant to s. 220.194.

145 17. The amount taken as a credit for the taxable year under  
146 s. 220.196. The addition in this subparagraph is intended to  
147 ensure that the same amount is not allowed for the tax purposes  
148 of this state as both a deduction from income and a credit  
149 against the tax. The addition is not intended to result in  
150 adding the same expense back to income more than once.

151 (b) *Subtractions.*—

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

153 a. The net operating loss deduction allowable for federal  
154 income tax purposes under s. 172 of the Internal Revenue Code  
155 for the taxable year, except that any net operating loss that is  
156 transferred pursuant to s. 220.194(6) may not be deducted by the



348766

- 157 seller,
- 158       b. The net capital loss allowable for federal income tax  
159 purposes under s. 1212 of the Internal Revenue Code for the  
160 taxable year,
- 161       c. The excess charitable contribution deduction allowable  
162 for federal income tax purposes under s. 170(d)(2) of the  
163 Internal Revenue Code for the taxable year, and
- 164       d. The excess contributions deductions allowable for  
165 federal income tax purposes under s. 404 of the Internal Revenue  
166 Code for the taxable year.

167

168 However, a net operating loss and a capital loss shall never be  
169 carried back as a deduction to a prior taxable year, but all  
170 deductions attributable to such losses shall be deemed net  
171 operating loss carryovers and capital loss carryovers,  
172 respectively, and treated in the same manner, to the same  
173 extent, and for the same time periods as are prescribed for such  
174 carryovers in ss. 172 and 1212, respectively, of the Internal  
175 Revenue Code. A deduction is not allowed for net operating  
176 losses, net capital losses, or excess contribution deductions  
177 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member  
178 of a water's edge group which is not a United States member.  
179 Carryovers of net operating losses, net capital losses, or  
180 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),  
181 172, 1212, and 404 may be subtracted only by the member of the  
182 water's edge group which generates a carryover.

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

- 185       a. Dividends treated as received from sources without the



348766

186 United States, as determined under s. 862 of the Internal  
187 Revenue Code.

188 b. All amounts included in taxable income under s. 78, s.  
189 951, or s. 951A of the Internal Revenue Code.

190

191 However, any amount subtracted under this subparagraph is  
192 allowed only to the extent such amount is not deductible in  
193 determining federal taxable income. As to any amount subtracted  
194 under this subparagraph, there shall be added to such taxable  
195 income all expenses deducted on the taxpayer's return for the  
196 taxable year which are attributable, directly or indirectly, to  
197 such subtracted amount. Further, no amount shall be subtracted  
198 with respect to dividends paid or deemed paid by a Domestic  
199 International Sales Corporation.

200 3. Amounts received by a member of a water's edge group as  
201 dividends paid by another member of the water's edge group must  
202 be subtracted from the taxable income to the extent that the  
203 dividends are included in the taxable income.

204 ~~4.3.~~ In computing "adjusted federal income" for taxable  
205 years beginning after December 31, 1976, there shall be allowed  
206 as a deduction the amount of wages and salaries paid or incurred  
207 within this state for the taxable year for which no deduction is  
208 allowed pursuant to s. 280C(a) of the Internal Revenue Code  
209 (relating to credit for employment of certain new employees).

210 ~~5.4.~~ There shall be subtracted from such taxable income any  
211 amount of nonbusiness income included therein.

212 ~~6.5.~~ There shall be subtracted any amount of taxes of  
213 foreign countries allowable as credits for taxable years  
214 beginning on or after September 1, 1985, under s. 901 of the





348766

215 Internal Revenue Code to any corporation which derived less than  
216 20 percent of its gross income or loss for its taxable year  
217 ended in 1984 from sources within the United States, as  
218 described in s. 861(a)(2)(A) of the Internal Revenue Code, not  
219 including credits allowed under ss. 902 and 960 of the Internal  
220 Revenue Code, withholding taxes on dividends within the meaning  
221 of sub-subparagraph 2.a., and withholding taxes on royalties,  
222 interest, technical service fees, and capital gains.

223 ~~7.6.~~ Notwithstanding any other provision of this code,  
224 except with respect to amounts subtracted pursuant to  
225 subparagraphs 1. and ~~4. 3.~~, any increment of any apportionment  
226 factor which is directly related to an increment of gross  
227 receipts or income which is deducted, subtracted, or otherwise  
228 excluded in determining adjusted federal income shall be  
229 excluded from both the numerator and denominator of such  
230 apportionment factor. Further, all valuations made for  
231 apportionment factor purposes shall be made on a basis  
232 consistent with the taxpayer's method of accounting for federal  
233 income tax purposes.

234 (c) *Installment sales occurring after October 19, 1980.*—

235 1. In the case of any disposition made after October 19,  
236 1980, the income from an installment sale shall be taken into  
237 account for the purposes of this code in the same manner that  
238 such income is taken into account for federal income tax  
239 purposes.

240 2. Any taxpayer who regularly sells or otherwise disposes  
241 of personal property on the installment plan and reports the  
242 income therefrom on the installment method for federal income  
243 tax purposes under s. 453(a) of the Internal Revenue Code shall



348766

244 report such income in the same manner under this code.

245 (d) *Nonallowable deductions.*—A deduction for net operating  
246 losses, net capital losses, or excess contributions deductions  
247 under ss. 170(d)(2), 172, 1212, and 404 of the Internal Revenue  
248 Code which has been allowed in a prior taxable year for Florida  
249 tax purposes shall not be allowed for Florida tax purposes,  
250 notwithstanding the fact that such deduction has not been fully  
251 utilized for federal tax purposes.

252 (e) *Adjustments related to federal acts.*—Taxpayers shall be  
253 required to make the adjustments prescribed in this paragraph  
254 for Florida tax purposes with respect to certain tax benefits  
255 received pursuant to the Economic Stimulus Act of 2008, the  
256 American Recovery and Reinvestment Act of 2009, the Small  
257 Business Jobs Act of 2010, the Tax Relief, Unemployment  
258 Insurance Reauthorization, and Job Creation Act of 2010, the  
259 American Taxpayer Relief Act of 2012, the Tax Increase  
260 Prevention Act of 2014, the Consolidated Appropriations Act,  
261 2016, and the Tax Cuts and Jobs Act of 2017.

262 1. There shall be added to such taxable income an amount  
263 equal to 100 percent of any amount deducted for federal income  
264 tax purposes as bonus depreciation for the taxable year pursuant  
265 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as  
266 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.  
267 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.  
268 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.  
269 113-295, s. 143 of Division Q of Pub. L. No. 114-113, and s.  
270 13201 of Pub. L. No. 115-97, for property placed in service  
271 after December 31, 2007, and before January 1, 2027. For the  
272 taxable year and for each of the 6 subsequent taxable years,



348766

273 there shall be subtracted from such taxable income an amount  
274 equal to one-seventh of the amount by which taxable income was  
275 increased pursuant to this subparagraph, notwithstanding any  
276 sale or other disposition of the property that is the subject of  
277 the adjustments and regardless of whether such property remains  
278 in service in the hands of the taxpayer.

279         2. There shall be added to such taxable income an amount  
280 equal to 100 percent of any amount in excess of \$128,000  
281 deducted for federal income tax purposes for the taxable year  
282 pursuant to s. 179 of the Internal Revenue Code of 1986, as  
283 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.  
284 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.  
285 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.  
286 No. 113-295, for taxable years beginning after December 31,  
287 2007, and before January 1, 2015. For the taxable year and for  
288 each of the 6 subsequent taxable years, there shall be  
289 subtracted from such taxable income one-seventh of the amount by  
290 which taxable income was increased pursuant to this  
291 subparagraph, notwithstanding any sale or other disposition of  
292 the property that is the subject of the adjustments and  
293 regardless of whether such property remains in service in the  
294 hands of the taxpayer.

295         3. There shall be added to such taxable income an amount  
296 equal to the amount of deferred income not included in such  
297 taxable income pursuant to s. 108(i)(1) of the Internal Revenue  
298 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There  
299 shall be subtracted from such taxable income an amount equal to  
300 the amount of deferred income included in such taxable income  
301 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,



348766

302 as amended by s. 1231 of Pub. L. No. 111-5.

303         4. Subtractions available under this paragraph may be  
304 transferred to the surviving or acquiring entity following a  
305 merger or acquisition and used in the same manner and with the  
306 same limitations as specified by this paragraph.

307         5. The additions and subtractions specified in this  
308 paragraph are intended to adjust taxable income for Florida tax  
309 purposes, and, notwithstanding any other provision of this code,  
310 such additions and subtractions shall be permitted to change a  
311 taxpayer's net operating loss for Florida tax purposes.

312         (2) For purposes of this section, a taxpayer's taxable  
313 income for the taxable year means taxable income as defined in  
314 s. 63 of the Internal Revenue Code and properly reportable for  
315 federal income tax purposes for the taxable year, but subject to  
316 the limitations set forth in paragraph (1)(b) with respect to  
317 the deductions provided by ss. 172 (relating to net operating  
318 losses), 170(d)(2) (relating to excess charitable  
319 contributions), 404(a)(1)(D) (relating to excess pension trust  
320 contributions), 404(a)(3)(A) and (B) (to the extent relating to  
321 excess stock bonus and profit-sharing trust contributions), and  
322 1212 (relating to capital losses) of the Internal Revenue Code,  
323 except that, subject to the same limitations, the term:

324         (a) "Taxable income," in the case of a life insurance  
325 company subject to the tax imposed by s. 801 of the Internal  
326 Revenue Code, means life insurance company taxable income;  
327 however, for purposes of this code, the total of any amounts  
328 subject to tax under s. 815(a)(2) of the Internal Revenue Code  
329 pursuant to s. 801(c) of the Internal Revenue Code shall not  
330 exceed, cumulatively, the total of any amounts determined under



348766

331 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,  
332 from January 1, 1972, to December 31, 1983;

333 (b) "Taxable income," in the case of an insurance company  
334 subject to the tax imposed by s. 831(b) of the Internal Revenue  
335 Code, means taxable investment income;

336 (c) "Taxable income," in the case of an insurance company  
337 subject to the tax imposed by s. 831(a) of the Internal Revenue  
338 Code, means insurance company taxable income;

339 (d) "Taxable income," in the case of a regulated investment  
340 company subject to the tax imposed by s. 852 of the Internal  
341 Revenue Code, means investment company taxable income;

342 (e) "Taxable income," in the case of a real estate  
343 investment trust subject to the tax imposed by s. 857 of the  
344 Internal Revenue Code, means the income subject to tax, computed  
345 as provided in s. 857 of the Internal Revenue Code;

346 (f) "Taxable income," in the case of a corporation which is  
347 a member of an affiliated group of corporations filing a  
348 consolidated income tax return for the taxable year for federal  
349 income tax purposes, means taxable income of such corporation  
350 for federal income tax purposes as if such corporation had filed  
351 a separate federal income tax return for the taxable year and  
352 each preceding taxable year for which it was a member of an  
353 affiliated group, ~~unless a consolidated return for the taxpayer~~  
354 ~~and others is required or elected under s. 220.131;~~

355 (g) "Taxable income," in the case of a cooperative  
356 corporation or association, means the taxable income of such  
357 organization determined in accordance with the provisions of ss.  
358 1381-1388 of the Internal Revenue Code;

359 (h) "Taxable income," in the case of an organization which



348766

360 is exempt from the federal income tax by reason of s. 501(a) of  
361 the Internal Revenue Code, means its unrelated business taxable  
362 income as determined under s. 512 of the Internal Revenue Code;

363 (i) "Taxable income," in the case of a corporation for  
364 which there is in effect for the taxable year an election under  
365 s. 1362(a) of the Internal Revenue Code, means the amounts  
366 subject to tax under s. 1374 or s. 1375 of the Internal Revenue  
367 Code for each taxable year;

368 (j) "Taxable income," in the case of a limited liability  
369 company, other than a limited liability company classified as a  
370 partnership for federal income tax purposes, as defined in and  
371 organized pursuant to chapter 605 or qualified to do business in  
372 this state as a foreign limited liability company or other than  
373 a similar limited liability company classified as a partnership  
374 for federal income tax purposes and created as an artificial  
375 entity pursuant to the statutes of the United States or any  
376 other state, territory, possession, or jurisdiction, if such  
377 limited liability company or similar entity is taxable as a  
378 corporation for federal income tax purposes, means taxable  
379 income determined as if such limited liability company were  
380 required to file or had filed a federal corporate income tax  
381 return under the Internal Revenue Code;

382 (k) "Taxable income," in the case of a taxpayer liable for  
383 the alternative minimum tax as defined in s. 55 of the Internal  
384 Revenue Code, means the alternative minimum taxable income as  
385 defined in s. 55(b)(2) of the Internal Revenue Code, less the  
386 exemption amount computed under s. 55(d) of the Internal Revenue  
387 Code. A taxpayer is not liable for the alternative minimum tax  
388 unless the taxpayer's federal tax return, or related federal



348766

389 consolidated tax return, if included in a consolidated return  
390 for federal tax purposes, reflect a liability on the return  
391 filed for the alternative minimum tax as defined in s. 55(b)(2)  
392 of the Internal Revenue Code;

393 (1) "Taxable income," in the case of a taxpayer whose  
394 taxable income is not otherwise defined in this subsection,  
395 means the sum of amounts to which a tax rate specified in s. 11  
396 of the Internal Revenue Code plus the amount to which a tax rate  
397 specified in s. 1201(a)(2) of the Internal Revenue Code are  
398 applied for federal income tax purposes.

399 Section 74. Effective January 1, 2021, section 220.131,  
400 Florida Statutes, is repealed.

401 Section 75. Effective January 1, 2021, section 220.136,  
402 Florida Statutes, is created to read:

403 220.136 Determination of the members of a water's edge  
404 group.—

405 (1) A corporation having 50 percent or more of its  
406 outstanding voting stock directly or indirectly owned or  
407 controlled by a water's edge group is presumed to be a member of  
408 the water's edge group. A corporation having less than 50  
409 percent of its outstanding voting stock directly or indirectly  
410 owned or controlled by a water's edge group is a member of the  
411 water's edge group if the business activities of the corporation  
412 show that the corporation is a member of the water's edge group.  
413 All of the income of a corporation that is a member of a water's  
414 edge group is presumed to be unitary. For purposes of this  
415 subsection, the attribution rules of 26 U.S.C. s. 318 must be  
416 used to determine whether voting stock is indirectly owned.

417 (2) (a) A corporation that conducts business outside the



348766

418 United States is not a member of a water's edge group if 80  
419 percent or more of the corporation's property and payroll, as  
420 determined by the apportionment factors described in ss. 220.15  
421 and 220.1363, may be assigned to locations outside of the United  
422 States. However, such a corporation that is incorporated in a  
423 tax haven may be a member of a water's edge group pursuant to  
424 subsection (1). This subsection does not exempt a corporation  
425 that is not a member of a water's edge group from this chapter.

426 (b) As used in this subsection, the term "United States"  
427 means the 50 states, the District of Columbia, and Puerto Rico.

428 (c) The apportionment factors described in ss. 220.1363 and  
429 220.15 must be used to determine whether a special industry  
430 corporation has engaged in a sufficient amount of activities  
431 outside of the United States to exclude it from treatment as a  
432 member of a water's edge group.

433 Section 76. Effective January 1, 2021, section 220.1363,  
434 Florida Statutes, is created to read:

435 220.1363 Water's edge groups; special requirements.-

436 (1) For purposes of this section, the term "water's edge  
437 reporting method" is a method to determine the taxable business  
438 profits of a group of entities conducting a unitary business.  
439 Under this method, the net income of the entities must be added  
440 together, along with the additions and subtractions under s.  
441 220.13, and apportioned to this state as a single taxpayer under  
442 ss. 220.15 and 220.151. However, each special industry member  
443 included in a water's edge group return which would otherwise be  
444 permitted to use a special method of apportionment under s.  
445 220.151 shall convert its single-factor apportionment to a  
446 three-factor apportionment of property, payroll, and sales. The





348766

447 special industry member shall calculate the denominator of its  
448 property, payroll, and sales factors in the same manner as those  
449 denominators are calculated by members that are not special  
450 industry members. The numerator of its sales, property, and  
451 payroll factors is the product of the denominator of each factor  
452 multiplied by the premiums or revenue-miles-factor ratio  
453 otherwise applicable under s. 220.151.

454 (2) All members of a water's edge group must use the  
455 water's edge reporting method, under which:

456 (a) Adjusted federal income, for purposes of s. 220.12,  
457 means the sum of adjusted federal income of all members of the  
458 water's edge group as determined for a concurrent taxable year.

459 (b) The numerators and denominators of the apportionment  
460 factors must be calculated for all members of the water's edge  
461 group combined.

462 (c) Intercompany sales transactions between members of the  
463 water's edge group are not included in the numerator or  
464 denominator of the sales factor under ss. 220.15 and 220.151,  
465 regardless of whether indicia of a sale exist.

466 (d) For sales of intangibles, including, but not limited  
467 to, accounts receivable, notes, bonds, and stock, which are made  
468 to entities outside the group, only the net proceeds are  
469 included in the numerator and denominator of the sales factor.

470 (e) Sales that are not allocated or apportioned to any  
471 taxing jurisdiction, otherwise known as "nowhere sales," may not  
472 be included in the numerator or denominator of the sales factor.

473 (f) The income attributable to the Florida activities of a  
474 corporation that is exempt from taxation under the Interstate  
475 Income Act of 1959, Pub. L. No. 86-272, is excluded from the



348766

476 apportionment factor numerators in the calculation of corporate  
477 income tax, even if another member of the water's edge group has  
478 nexus with this state and is subject to tax.

479  
480 As used in this subsection, the term "sale" includes, but is not  
481 limited to, loans, payments for the use of intangibles,  
482 dividends, and management fees.

483 (3) (a) If a parent corporation is a member of the water's  
484 edge group and has nexus with this state, a single water's edge  
485 group return must be filed in the name and under the federal  
486 employer identification number of the parent corporation. If the  
487 water's edge group does not have a parent corporation, if the  
488 parent corporation is not a member of the water's edge group, or  
489 if the parent corporation does not have nexus with this state,  
490 then the members of the water's edge group must choose a member  
491 subject to the tax imposed by this chapter to file the return.  
492 The members of the water's edge group may not choose another  
493 member to file a corporate income tax return in subsequent years  
494 unless the filing member does not maintain nexus with this state  
495 or does not remain a member of the water's edge group. The  
496 return must be signed by an authorized officer of the filing  
497 member as the agent for the water's edge group.

498 (b) If members of a water's edge group have different  
499 taxable years, the taxable year of a majority of the members of  
500 the water's edge group is the taxable year of the water's edge  
501 group. If the taxable years of a majority of the members of a  
502 water's edge group do not correspond, the taxable year of the  
503 member that must file the return for the water's edge group is  
504 the taxable year of the water's edge group.



348766

505       (c)1. A member of a water's edge group having a taxable  
506 year that does not correspond to the taxable year of the water's  
507 edge group shall determine its income for inclusion on the tax  
508 return for the water's edge group. The member shall use:

509       a. The precise amount of taxable income received during the  
510 months corresponding to the taxable year of the water's edge  
511 group if the precise amount can be readily determined from the  
512 member's books and records.

513       b. The taxable income of the member converted to conform to  
514 the taxable year of the water's edge group on the basis of the  
515 number of months falling within the taxable year of the water's  
516 edge group. For example, if the taxable year of the water's edge  
517 group is a calendar year and a member operates on a fiscal year  
518 ending on April 30, the income of the member must include 8/12  
519 of the income from the current taxable year and 4/12 of the  
520 income from the preceding taxable year. This method to determine  
521 the income of a member may be used only if the return can be  
522 timely filed after the end of the taxable year of the water's  
523 edge group.

524       c. The taxable income of the member during its taxable year  
525 that ends within the taxable year of the water's edge group.

526       2. The method of determining the income of a member of a  
527 water's edge group whose taxable year does not correspond to the  
528 taxable year of the water's edge group may not change as long as  
529 the member remains a member of the water's edge group. The  
530 apportionment factors for the member must be applied to the  
531 income of the member for the taxable year of the water's edge  
532 group.

533       (4) (a) A water's edge group return must include a



348766

534 computational schedule that:

535 1. Combines the federal income of all members of the  
536 water's edge group;

537 2. Shows all intercompany eliminations;

538 3. Shows Florida additions and subtractions under s.  
539 220.13; and

540 4. Shows the calculation of the combined apportionment  
541 factors.

542 (b) In addition to its return, a water's edge group shall  
543 also file a domestic disclosure spreadsheet. The spreadsheet  
544 must fully disclose:

545 1. The income reported to each state;

546 2. The state tax liability;

547 3. The method used for apportioning or allocating income to  
548 the various states; and

549 4. Other information required by department rule in order  
550 to determine the proper amount of tax due to each state and to  
551 identify the water's edge group.

552 (5) The department may adopt rules and forms to administer  
553 this section. The Legislature intends to grant the department  
554 extensive authority to adopt rules and forms describing and  
555 defining principles for determining the existence of a water's  
556 edge business, definitions of common control, methods of  
557 reporting, and related forms, principles, and other definitions.

558 Section 77. Effective January 1, 2021, section 220.14,  
559 Florida Statutes, is amended to read:

560 220.14 Exemption.—

561 (1) In computing a taxpayer's liability for tax under this  
562 code, there shall be exempt from the tax \$50,000 of net income



348766

563 as defined in s. 220.12 or such lesser amount as will, without  
564 increasing the taxpayer's federal income tax liability, provide  
565 the state with an amount under this code which is equal to the  
566 maximum federal income tax credit which may be available from  
567 time to time under federal law.

568 (2) In the case of a taxable year for a period of less than  
569 12 months, the exemption allowed by this section must ~~shall~~ be  
570 prorated on the basis of the number of days in such year to 365  
571 days or, in a leap year, 366 days.

572 (3) Only one exemption shall be allowed to taxpayers filing  
573 a water's edge group ~~consolidated~~ return under this code.

574 (4) Notwithstanding any other provision of this code, not  
575 more than one exemption under this section may be allowed to the  
576 Florida members of a controlled group of corporations, as  
577 defined in s. 1563 of the Internal Revenue Code with respect to  
578 taxable years ending on or after December 31, 1970, filing  
579 separate returns under this code. The exemption described in  
580 this section shall be divided equally among such Florida members  
581 of the group, unless all of such members consent, at such time  
582 and in such manner as the department shall by regulation  
583 prescribe, to an apportionment plan providing for an unequal  
584 allocation of such exemption.

585 Section 78. Effective January 1, 2021, paragraph (c) of  
586 subsection (5) of section 220.15, Florida Statutes, is amended  
587 to read:

588 220.15 Apportionment of adjusted federal income.—

589 (5) The sales factor is a fraction the numerator of which  
590 is the total sales of the taxpayer in this state during the  
591 taxable year or period and the denominator of which is the total



348766

592 sales of the taxpayer everywhere during the taxable year or  
593 period.

594 (c) Sales of a financial organization, including, but not  
595 limited to, banking and savings institutions, investment  
596 companies, real estate investment trusts, and brokerage  
597 companies, occur in this state if derived from:

598 1. Fees, commissions, or other compensation for financial  
599 services rendered within this state;

600 2. Gross profits from trading in stocks, bonds, or other  
601 securities managed within this state;

602 3. Interest received within this state, other than interest  
603 from loans secured by mortgages, deeds of trust, or other liens  
604 upon real or tangible personal property located without this  
605 state, and dividends received within this state;

606 4. Interest charged to customers at places of business  
607 maintained within this state for carrying debit balances of  
608 margin accounts, without deduction of any costs incurred in  
609 carrying such accounts;

610 5. Interest, fees, commissions, or other charges or gains  
611 from loans secured by mortgages, deeds of trust, or other liens  
612 upon real or tangible personal property located in this state or  
613 from installment sale agreements originally executed by a  
614 taxpayer or the taxpayer's agent to sell real or tangible  
615 personal property located in this state;

616 6. Rents from real or tangible personal property located in  
617 this state; or

618 7. Any other gross income, including other interest,  
619 resulting from the operation as a financial organization within  
620 this state.



348766

621  
622 ~~In computing the amounts under this paragraph, any amount~~  
623 ~~received by a member of an affiliated group (determined under s.~~  
624 ~~1504(a) of the Internal Revenue Code, but without reference to~~  
625 ~~whether any such corporation is an "includable corporation"~~  
626 ~~under s. 1504(b) of the Internal Revenue Code) from another~~  
627 ~~member of such group shall be included only to the extent such~~  
628 ~~amount exceeds expenses of the recipient directly related~~  
629 ~~thereto.~~

630 Section 79. Effective January 1, 2021, paragraph (f) of  
631 subsection (1) of section 220.183, Florida Statutes, is amended  
632 to read:

633 220.183 Community contribution tax credit.-

634 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
635 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
636 SPENDING.-

637 ~~(f) A taxpayer who files a Florida consolidated return as a~~  
638 ~~member of an affiliated group pursuant to s. 220.131(1) may be~~  
639 ~~allowed the credit on a consolidated return basis.~~

640 Section 80. Effective January 1, 2021, paragraphs (b), (c),  
641 and (d) of subsection (2) of section 220.1845, Florida Statutes,  
642 are amended to read:

643 220.1845 Contaminated site rehabilitation tax credit.-

644 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.-

645 (b) A tax credit applicant, or multiple tax credit  
646 applicants working jointly to clean up a single site, may not be  
647 granted more than \$500,000 per year in tax credits for each site  
648 voluntarily rehabilitated. Multiple tax credit applicants shall  
649 be granted tax credits in the same proportion as their



348766

650 contribution to payment of cleanup costs. Subject to the same  
651 conditions and limitations as provided in this section, a  
652 municipality, county, or other tax credit applicant which  
653 voluntarily rehabilitates a site may receive not more than  
654 \$500,000 per year in tax credits which it can subsequently  
655 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

656 (c) If the credit granted under this section is not fully  
657 used in any one year because of insufficient tax liability on  
658 the part of the corporation, the unused amount may be carried  
659 forward for up to 5 years. The carryover credit may be used in a  
660 subsequent year if the tax imposed by this chapter for that year  
661 exceeds the credit for which the corporation is eligible in that  
662 year after applying the other credits and unused carryovers in  
663 the order provided by s. 220.02(8). If during the 5-year period  
664 the credit is transferred, in whole or in part, pursuant to  
665 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of  
666 transfer to use its credit.

667 ~~(d) A taxpayer that files a consolidated return in this~~  
668 ~~state as a member of an affiliated group under s. 220.131(1) may~~  
669 ~~be allowed the credit on a consolidated return basis up to the~~  
670 ~~amount of tax imposed upon the consolidated group.~~

671 Section 81. Effective January 1, 2021, subsection (2) of  
672 section 220.1875, Florida Statutes, is amended to read:

673 220.1875 Credit for contributions to eligible nonprofit  
674 scholarship-funding organizations.—

675 ~~(2) A taxpayer who files a Florida consolidated return as a~~  
676 ~~member of an affiliated group pursuant to s. 220.131(1) may be~~  
677 ~~allowed the credit on a consolidated return basis; however, the~~  
678 ~~total credit taken by the affiliated group is subject to the~~





348766

679 ~~limitation established under subsection (1).~~

680       Section 82. Effective January 1, 2021, paragraphs (a) and  
681 (c) of subsection (3) of section 220.191, Florida Statutes, are  
682 amended to read:

683       220.191 Capital investment tax credit.-

684       (3) (a) Notwithstanding subsection (2), an annual credit  
685 against the tax imposed by this chapter shall be granted to a  
686 qualifying business which establishes a qualifying project  
687 pursuant to subparagraph (1)(g)3., in an amount equal to the  
688 lesser of \$15 million or 5 percent of the eligible capital costs  
689 made in connection with a qualifying project, for a period not  
690 to exceed 20 years beginning with the commencement of operations  
691 of the project. The tax credit shall be granted against the  
692 corporate income tax liability of the qualifying business ~~and as~~  
693 ~~further provided in paragraph (c).~~ The total tax credit provided  
694 pursuant to this subsection shall be equal to no more than 100  
695 percent of the eligible capital costs of the qualifying project.

696       (c) The credit granted under this subsection may be used in  
697 whole or in part by the qualifying business ~~or any corporation~~  
698 ~~that is either a member of that qualifying business's affiliated~~  
699 ~~group of corporations, is a related entity taxable as a~~  
700 ~~cooperative under subchapter T of the Internal Revenue Code, or,~~  
701 ~~if the qualifying business is an entity taxable as a cooperative~~  
702 ~~under subchapter T of the Internal Revenue Code, is related to~~  
703 ~~the qualifying business. Any entity related to the qualifying~~  
704 ~~business may continue to file as a member of a Florida-nexus~~  
705 ~~consolidated group pursuant to a prior election made under s.~~  
706 ~~220.131(1), Florida Statutes (1985), even if the parent of the~~  
707 ~~group changes due to a direct or indirect acquisition of the~~



348766

708 ~~former common parent of the group. Any credit can be used by any~~  
709 ~~of the affiliated companies or related entities referenced in~~  
710 ~~this paragraph to the same extent as it could have been used by~~  
711 ~~the qualifying business. However, any such use shall not operate~~  
712 ~~to increase the amount of the credit or extend the period within~~  
713 ~~which the credit must be used.~~

714 Section 83. Effective January 1, 2021, paragraphs (c) and  
715 (e) of subsection (3) of section 220.193, Florida Statutes, are  
716 amended to read:

717 220.193 Florida renewable energy production credit.—

718 (3) An annual credit against the tax imposed by this  
719 section shall be allowed to a taxpayer, based on the taxpayer's  
720 production and sale of electricity from a new or expanded  
721 Florida renewable energy facility. For a new facility, the  
722 credit shall be based on the taxpayer's sale of the facility's  
723 entire electrical production. For an expanded facility, the  
724 credit shall be based on the increases in the facility's  
725 electrical production that are achieved after May 1, 2012.

726 (c) If the amount of credits applied for each year exceeds  
727 the amount authorized in paragraph (f) ~~(g)~~, the Department of  
728 Agriculture and Consumer Services shall allocate credits to  
729 qualified applicants based on the following priority:

730 1. An applicant who places a new facility in operation  
731 after May 1, 2012, shall be allocated credits first, up to a  
732 maximum of \$250,000 each, with any remaining credits to be  
733 granted pursuant to subparagraph 3., but if the claims for  
734 credits under this subparagraph exceed the state fiscal year cap  
735 in paragraph (f) ~~(g)~~, credits shall be allocated pursuant to  
736 this subparagraph on a prorated basis based upon each



348766

737 applicant's qualified production and sales as a percentage of  
738 total production and sales for all applicants in this category  
739 for the fiscal year.

740         2. An applicant who does not qualify under subparagraph 1.  
741 but who claims a credit of \$50,000 or less shall be allocated  
742 credits next, but if the claims for credits under this  
743 subparagraph, combined with credits allocated in subparagraph  
744 1., exceed the state fiscal year cap in paragraph (f) ~~(g)~~,  
745 credits shall be allocated pursuant to this subparagraph on a  
746 prorated basis based upon each applicant's qualified production  
747 and sales as a percentage of total qualified production and  
748 sales for all applicants in this category for the fiscal year.

749         3. An applicant who does not qualify under subparagraph 1.  
750 or subparagraph 2. and an applicant whose credits have not been  
751 fully allocated under subparagraph 1. shall be allocated credits  
752 next. If there is insufficient capacity within the amount  
753 authorized for the state fiscal year in paragraph (f) ~~(g)~~, and  
754 after allocations pursuant to subparagraphs 1. and 2., the  
755 credits allocated under this subparagraph shall be prorated  
756 based upon each applicant's unallocated claims for qualified  
757 production and sales as a percentage of total unallocated claims  
758 for qualified production and sales of all applicants in this  
759 category, up to a maximum of \$1 million per taxpayer per state  
760 fiscal year. If, after application of this \$1 million cap, there  
761 is excess capacity under the state fiscal year cap in paragraph  
762 (f) ~~(g)~~ in any state fiscal year, that remaining capacity shall  
763 be used to allocate additional credits with priority given in  
764 the order set forth in this subparagraph and without regard to  
765 the \$1 million per taxpayer cap.



348766

766           ~~(e) A taxpayer that files a consolidated return in this~~  
767 ~~state as a member of an affiliated group under s. 220.131(1) may~~  
768 ~~be allowed the credit on a consolidated return basis up to the~~  
769 ~~amount of tax imposed upon the consolidated group.~~

770           Section 84. Effective January 1, 2021, paragraph (a) of  
771 subsection (1) of section 220.27, Florida Statutes, is amended  
772 to read:

773           220.27 Additional required information.—

774           (1)(a) Every taxpayer that is required to file a return  
775 under s. 220.22(1) for a taxable year beginning during the 2018  
776 or 2019 calendar years, must submit to the department the  
777 following information for those taxable years using the  
778 application form on the department's website:

779           1. The taxpayer's name, federal taxpayer identification  
780 number, taxable year beginning date, taxable year ending date,  
781 and, for taxable years beginning before January 1, 2021, only,  
782 whether a consolidated return for the taxpayer is required or  
783 elected under s. 220.131.

784           2. The taxpayer's NAICS code for business activity that  
785 generates the greatest proportion of gross receipts of the  
786 taxpayer. As used in this paragraph, the term "NAICS" means  
787 those classifications contained in the North American Industry  
788 Classification System, as published in 2007 by the Office of  
789 Management and Budget, Executive Office of the President.

790           3. The taxpayer's taxable income as that term is defined in  
791 s. 220.13(2) and the taxpayer's state apportionment fraction  
792 pursuant to s. 220.15 for the taxable year.

793           4. The amount of global intangible low-taxed income  
794 included in federal taxable income under s. 951A of the Internal



348766

795 Revenue Code, and the amount of the related deduction under s.  
796 250 of the Internal Revenue Code, as it pertains to s. 951A of  
797 the Internal Revenue Code.

798 5. The amount of foreign-derived intangible income computed  
799 for the federal return for the taxable year and the amount of  
800 the related deduction under s. 250 of the Internal Revenue Code,  
801 as it pertains to foreign-derived intangible income.

802 6. The amount of business interest expense deducted on the  
803 federal return under s. 163 of the Internal Revenue Code,  
804 including any carryover; the amount of current year business  
805 interest expense, including any carryover, which ~~that~~ was not  
806 deducted due to the limitation in s. 163(j) of the Internal  
807 Revenue Code; and the amount of business interest expense  
808 carried over from previous taxable years.

809 7. The amount of federal net operating loss deduction under  
810 s. 172 of the Internal Revenue Code, applied in determining  
811 federal taxable income and the amount of federal net operating  
812 loss carryover that was not applied due to the limitation in s.  
813 172(a)(2) of the Internal Revenue Code.

814 8. The total amount of state net operating loss carryover  
815 available after the filing of the return for the taxable year.

816 9. The total amount of the state alternative minimum tax  
817 credit carryover available after the filing of the return for  
818 the taxable year.

819 Section 85. Effective January 1, 2021, section 220.28,  
820 Florida Statutes, is created to read:

821 220.28 Water's edge group transitional rules.—

822 (1) For the first taxable year beginning on or after  
823 January 1, 2021, a taxpayer that filed a Florida corporate



348766

824 income tax return in the preceding taxable year and that is a  
825 member of a water's edge group shall compute its income together  
826 with all members of its water's edge group and file a combined  
827 Florida corporate income tax return with all members of its  
828 water's edge group.

829 (2) An affiliated group of corporations which filed a  
830 Florida consolidated corporate income tax return pursuant to an  
831 election provided in former s. 220.131 shall cease filing a  
832 Florida consolidated return for taxable years beginning on or  
833 after January 1, 2021, and shall file a combined Florida  
834 corporate income tax return with all members of its water's edge  
835 group.

836 (3) An affiliated group of corporations which filed a  
837 Florida consolidated corporate income tax return pursuant to the  
838 election in former s. 220.131(1) (1985), which allowed the  
839 affiliated group to make an election within 90 days after  
840 December 20, 1984, or upon filing the taxpayer's first return  
841 after December 20, 1984, whichever was later, shall cease filing  
842 a Florida consolidated corporate income tax return using that  
843 method for taxable years beginning on or after January 1, 2021,  
844 and shall file a combined Florida corporate income tax return  
845 with all members of its water's edge group.

846 (4) A taxpayer that is not a member of a water's edge group  
847 remains subject to this chapter and shall file a separate  
848 Florida corporate income tax return as previously required.

849 (5) For taxable years beginning on or after January 1,  
850 2021, a tax return for a member of a water's edge group must be  
851 a combined Florida corporate income tax return that includes tax  
852 information for all members of the water's edge group. The tax



348766

853 return must be filed by a member that has a nexus with this  
854 state.

855 Section 86. Effective January 1, 2021, section 220.51,  
856 Florida Statutes, is amended to read:

857 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In  
858 accordance with the Administrative Procedure Act, chapter 120,  
859 the department is authorized to make, adopt ~~promulgate~~, and  
860 enforce such reasonable rules and regulations, and to prescribe  
861 such forms relating to the administration and enforcement of ~~the~~  
862 ~~provisions of~~ this code, as it may deem appropriate, including:

863 (1) Rules for initial implementation of this code and for  
864 taxpayers' transitional taxable years commencing before and  
865 ending after January 1, 1972; and

866 (2) Rules or regulations to clarify whether certain groups,  
867 organizations, or associations formed under the laws of this  
868 state or any other state, country, or jurisdiction shall be  
869 deemed "taxpayers" for the purposes of this code, in accordance  
870 with the legislative declarations of intent in s. 220.02; ~~and~~

871 ~~(3) Regulations relating to consolidated reporting for~~  
872 ~~affiliated groups of corporations, in order to provide for an~~  
873 ~~equitable and just administration of this code with respect to~~  
874 ~~multicorporate taxpayers.~~

875 Section 87. Effective January 1, 2021, section 220.64,  
876 Florida Statutes, is amended to read:

877 220.64 Other provisions applicable to franchise tax.—To the  
878 extent that they are not manifestly incompatible with ~~the~~  
879 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and  
880 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,  
881 220.15, and 220.16 apply to the franchise tax imposed by this



348766

882 part. Under rules prescribed by the department ~~in s. 220.131~~, a  
883 consolidated return may be filed by any affiliated group of  
884 corporations consisting ~~composed~~ of one or more banks or savings  
885 associations, ~~its or~~ their Florida parent corporations  
886 ~~corporation~~, and any nonbank or nonsavings subsidiaries of such  
887 parent corporations ~~corporation~~.

888 Section 88. Effective January 1, 2021, paragraph (f) of  
889 subsection (4) and paragraph (a) of subsection (5) of section  
890 288.1254, Florida Statutes, are amended to read:

891 288.1254 Entertainment industry financial incentive  
892 program.—

893 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
894 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;  
895 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
896 ACQUISITIONS.—

897 ~~(f) Consolidated returns. A certified production company~~  
898 ~~that files a Florida consolidated return as a member of an~~  
899 ~~affiliated group under s. 220.131(1) may be allowed the credit~~  
900 ~~on a consolidated return basis up to the amount of the tax~~  
901 ~~imposed upon the consolidated group under chapter 220.~~

902 (5) TRANSFER OF TAX CREDITS.—

903 (a) *Authorization*.—Upon application to the Office of Film  
904 and Entertainment and approval by the department, a certified  
905 production company, or a partner or member that has received a  
906 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to  
907 transfer, in whole or in part, any unused credit amount granted  
908 under this section. An election to transfer any unused tax  
909 credit amount under chapter 212 or chapter 220 must be made no  
910 later than 5 years after the date the credit is awarded, after





348766

911 which period the credit expires and may not be used. The  
912 department shall notify the Department of Revenue of the  
913 election and transfer.

914 Section 89. Effective January 1, 2021, subsections (9) and  
915 (10) of section 376.30781, Florida Statutes, are amended to  
916 read:

917 376.30781 Tax credits for rehabilitation of drycleaning-  
918 solvent-contaminated sites and brownfield sites in designated  
919 brownfield areas; application process; rulemaking authority;  
920 revocation authority.—

921 (9) On or before May 1, the Department of Environmental  
922 Protection shall inform each tax credit applicant that is  
923 subject to the January 31 annual application deadline of the  
924 applicant's eligibility status and the amount of any tax credit  
925 due. The department shall provide each eligible tax credit  
926 applicant with a tax credit certificate that must be submitted  
927 with its tax return to the Department of Revenue to claim the  
928 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~  
929 ~~220.1845(2)(g)~~. The May 1 deadline for annual site  
930 rehabilitation tax credit certificate awards shall not apply to  
931 any tax credit application for which the department has issued a  
932 notice of deficiency pursuant to subsection (8). The department  
933 shall respond within 90 days after receiving a response from the  
934 tax credit applicant to such a notice of deficiency. Credits may  
935 not result in the payment of refunds if total credits exceed the  
936 amount of tax owed.

937 (10) For solid waste removal, new health care facility or  
938 health care provider, and affordable housing tax credit  
939 applications, the Department of Environmental Protection shall



348766

940 inform the applicant of the department's determination within 90  
941 days after the application is deemed complete. Each eligible tax  
942 credit applicant shall be informed of the amount of its tax  
943 credit and provided with a tax credit certificate that must be  
944 submitted with its tax return to the Department of Revenue to  
945 claim the tax credit or be transferred pursuant to s.  
946 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the  
947 payment of refunds if total credits exceed the amount of tax  
948 owed.

949 Section 90. Funds recaptured pursuant to sections 72  
950 through 89 of this act must be appropriated in the General  
951 Appropriations Act to the various school districts to reduce the  
952 required local effort millage.

953  
954 ===== T I T L E A M E N D M E N T =====

955 And the title is amended as follows:

956 Between lines 3720 and 3721

957 insert:

958 amending s. 220.03, F.S.; revising the definition of  
959 the term "taxpayer"; defining terms; amending s.  
960 220.13, F.S.; revising the definition of the term  
961 "adjusted federal income" to prohibit specified  
962 deductions, to limit certain carryovers, and to  
963 require subtractions of certain amounts paid and  
964 received within a water's edge group for the purpose  
965 of determining subtractions from taxable income;  
966 conforming provisions to changes made by the act;  
967 repealing s. 220.131, F.S., relating to the adjusted  
968 federal income of affiliated groups; creating s.



348766

969 220.136, F.S.; specifying circumstances under which a  
970 corporation is presumed to be, deemed to be, or deemed  
971 not to be a member of a water's edge group; defining  
972 the term "United States"; providing construction;  
973 creating s. 220.1363, F.S.; defining the term "water's  
974 edge reporting method"; specifying requirements for,  
975 limitations on, and prohibitions in calculating and  
976 reporting income in a water's edge group return;  
977 requiring all members of a water's edge group to use  
978 the water's edge reporting method; defining the term  
979 "sale"; specifying requirements for designating the  
980 filing member and the taxable year of the water's edge  
981 group; specifying income reporting requirements for  
982 certain members of the water's edge group; requiring  
983 that a water's edge group return include a specified  
984 computational schedule and domestic disclosure  
985 spreadsheet; authorizing the Department of Revenue to  
986 adopt rules; providing legislative intent regarding  
987 the adoption of rules; amending s. 220.14, F.S.;  
988 revising the calculation for prorating a certain  
989 corporate income tax exemption to reflect leap years;  
990 conforming a provision to changes made by the act;  
991 amending ss. 220.15, 220.183, 220.1845, 220.1875,  
992 220.191, 220.193, and 220.27, F.S.; conforming  
993 provisions to changes made by the act; creating s.  
994 220.28, F.S.; specifying, for certain taxpayers and  
995 for taxable years beginning on a specified date,  
996 requirements in filing corporate tax returns; amending  
997 s. 220.51, F.S.; conforming provisions to changes made



348766

998 by the act; amending s. 220.64, F.S.; providing  
999 applicability of water's edge group provisions to the  
1000 franchise tax; conforming provisions to changes made  
1001 by the act; amending ss. 288.1254 and 376.30781, F.S.;  
1002 conforming provisions to changes made by the act;  
1003 requiring that funds recaptured pursuant to this act  
1004 be appropriated for a certain purpose;