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LEGISLATIVE ACTION

Senate	.	House
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Floor: 2c/F/2R	.	
03/12/2020 05:13 PM	.	
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Senator Rodriguez moved the following:

1 **Senate Amendment to Substitute Amendment (271678) (with**
2 **title amendment)**

3
4 Between lines 1782 and 1783
5 insert:

6 Section 37. 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



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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



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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 38. Effective January 1, 2021, section 220.13,
66 Florida Statutes, 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



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

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

96 3. In the case of a regulated investment company or real
97 estate investment trust, an amount equal to the excess of the
98 net long-term capital gain for the taxable year over the amount



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99 of the capital gain dividends attributable to the taxable year.

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

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

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

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

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

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

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

126 11. The amount taken as a credit for the taxable year under
127 s. 220.1875. The addition in this subparagraph is intended to



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

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

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

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

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

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

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

150 (b) *Subtractions.*—

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

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



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157 b. The net capital loss allowable for federal income tax
158 purposes under s. 1212 of the Internal Revenue Code for the
159 taxable year,
160 c. The excess charitable contribution deduction allowable
161 for federal income tax purposes under s. 170(d)(2) of the
162 Internal Revenue Code for the taxable year, and
163 d. The excess contributions deductions allowable for
164 federal income tax purposes under s. 404 of the Internal Revenue
165 Code for the taxable year.
166
167 However, a net operating loss and a capital loss shall never be
168 carried back as a deduction to a prior taxable year, but all
169 deductions attributable to such losses shall be deemed net
170 operating loss carryovers and capital loss carryovers,
171 respectively, and treated in the same manner, to the same
172 extent, and for the same time periods as are prescribed for such
173 carryovers in ss. 172 and 1212, respectively, of the Internal
174 Revenue Code. A deduction is not allowed for net operating
175 losses, net capital losses, or excess contribution deductions
176 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
177 of a water's edge group which is not a United States member.
178 Carryovers of net operating losses, net capital losses, or
179 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
180 172, 1212, and 404 may be subtracted only by the member of the
181 water's edge group which generates a carryover.
182 2. There shall be subtracted from such taxable income any
183 amount to the extent included therein the following:
184 a. Dividends treated as received from sources without the
185 United States, as determined under s. 862 of the Internal



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186 Revenue Code.

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

189
190 However, any amount subtracted under this subparagraph is
191 allowed only to the extent such amount is not deductible in
192 determining federal taxable income. As to any amount subtracted
193 under this subparagraph, there shall be added to such taxable
194 income all expenses deducted on the taxpayer's return for the
195 taxable year which are attributable, directly or indirectly, to
196 such subtracted amount. Further, no amount shall be subtracted
197 with respect to dividends paid or deemed paid by a Domestic
198 International Sales Corporation.

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

203 ~~4.3.~~ In computing "adjusted federal income" for taxable
204 years beginning after December 31, 1976, there shall be allowed
205 as a deduction the amount of wages and salaries paid or incurred
206 within this state for the taxable year for which no deduction is
207 allowed pursuant to s. 280C(a) of the Internal Revenue Code
208 (relating to credit for employment of certain new employees).

209 ~~5.4.~~ There shall be subtracted from such taxable income any
210 amount of nonbusiness income included therein.

211 ~~6.5.~~ There shall be subtracted any amount of taxes of
212 foreign countries allowable as credits for taxable years
213 beginning on or after September 1, 1985, under s. 901 of the
214 Internal Revenue Code to any corporation which derived less than



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

222 ~~7.6.~~ Notwithstanding any other provision of this code,
223 except with respect to amounts subtracted pursuant to
224 subparagraphs 1. and ~~4.3.~~, any increment of any apportionment
225 factor which is directly related to an increment of gross
226 receipts or income which is deducted, subtracted, or otherwise
227 excluded in determining adjusted federal income shall be
228 excluded from both the numerator and denominator of such
229 apportionment factor. Further, all valuations made for
230 apportionment factor purposes shall be made on a basis
231 consistent with the taxpayer's method of accounting for federal
232 income tax purposes.

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

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

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



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

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

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



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

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

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



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

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

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

323 (a) "Taxable income," in the case of a life insurance
324 company subject to the tax imposed by s. 801 of the Internal
325 Revenue Code, means life insurance company taxable income;
326 however, for purposes of this code, the total of any amounts
327 subject to tax under s. 815(a)(2) of the Internal Revenue Code
328 pursuant to s. 801(c) of the Internal Revenue Code shall not
329 exceed, cumulatively, the total of any amounts determined under
330 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,



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331 from January 1, 1972, to December 31, 1983;

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

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

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

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

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

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

358 (h) "Taxable income," in the case of an organization which
359 is exempt from the federal income tax by reason of s. 501(a) of



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360 the Internal Revenue Code, means its unrelated business taxable
361 income as determined under s. 512 of the Internal Revenue Code;

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

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

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



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

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

398 Section 39. Effective January 1, 2021, section 220.131,
399 Florida Statutes, is repealed.

400 Section 40. Effective January 1, 2021, section 220.136,
401 Florida Statutes, is created to read:

402 220.136 Determination of the members of a water's edge
403 group.—

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

416 (2) (a) A corporation that conducts business outside the
417 United States is not a member of a water's edge group if 80



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

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

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

432 Section 41. Effective January 1, 2021, section 220.1363,
433 Florida Statutes, is created to read:

434 220.1363 Water's edge groups; special requirements.-

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



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

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

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

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

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

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

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

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



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476 income tax, even if another member of the water's edge group has
477 nexus with this state and is subject to tax.

478
479 As used in this subsection, the term "sale" includes, but is not
480 limited to, loans, payments for the use of intangibles,
481 dividends, and management fees.

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

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

504 (c) 1. A member of a water's edge group having a taxable



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505 year that does not correspond to the taxable year of the water's
506 edge group shall determine its income for inclusion on the tax
507 return for the water's edge group. The member shall use:

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

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

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

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

532 (4) (a) A water's edge group return must include a
533 computational schedule that:



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534 1. Combines the federal income of all members of the
535 water's edge group;
536 2. Shows all intercompany eliminations;
537 3. Shows Florida additions and subtractions under s.
538 220.13; and
539 4. Shows the calculation of the combined apportionment
540 factors.
541 (b) In addition to its return, a water's edge group shall
542 also file a domestic disclosure spreadsheet. The spreadsheet
543 must fully disclose:
544 1. The income reported to each state;
545 2. The state tax liability;
546 3. The method used for apportioning or allocating income to
547 the various states; and
548 4. Other information required by department rule in order
549 to determine the proper amount of tax due to each state and to
550 identify the water's edge group.
551 (5) The department may adopt rules and forms to administer
552 this section. The Legislature intends to grant the department
553 extensive authority to adopt rules and forms describing and
554 defining principles for determining the existence of a water's
555 edge business, definitions of common control, methods of
556 reporting, and related forms, principles, and other definitions.
557 Section 42. Effective January 1, 2021, section 220.14,
558 Florida Statutes, is amended to read:
559 220.14 Exemption.—
560 (1) In computing a taxpayer's liability for tax under this
561 code, there shall be exempt from the tax \$50,000 of net income
562 as defined in s. 220.12 or such lesser amount as will, without



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563 increasing the taxpayer's federal income tax liability, provide
564 the state with an amount under this code which is equal to the
565 maximum federal income tax credit which may be available from
566 time to time under federal law.

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

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

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

584 Section 43. Effective January 1, 2021, paragraph (c) of
585 subsection (5) of section 220.15, Florida Statutes, is amended
586 to read:

587 220.15 Apportionment of adjusted federal income.—

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



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592 period.

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

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

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

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

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

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

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

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

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

629 Section 44. Effective January 1, 2021, paragraph (f) of
630 subsection (1) of section 220.183, Florida Statutes, is amended
631 to read:

632 220.183 Community contribution tax credit.—

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

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

639 Section 45. Effective January 1, 2021, paragraphs (b), (c),
640 and (d) of subsection (2) of section 220.1845, Florida Statutes,
641 are amended to read:

642 220.1845 Contaminated site rehabilitation tax credit.—

643 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

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



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

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

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

670 Section 46. Effective January 1, 2021, subsection (2) of
671 section 220.1875, Florida Statutes, is amended to read:

672 220.1875 Credit for contributions to eligible nonprofit
673 scholarship-funding organizations.—

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



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679 Section 47. Effective January 1, 2021, paragraphs (a) and
680 (c) of subsection (3) of section 220.191, Florida Statutes, are
681 amended to read:

682 220.191 Capital investment tax credit.-

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

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



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

713 Section 48. Effective January 1, 2021, paragraphs (c) and
714 (e) of subsection (3) of section 220.193, Florida Statutes, are
715 amended to read:

716 220.193 Florida renewable energy production credit.—

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

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

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



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737 total production and sales for all applicants in this category
738 for the fiscal year.

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

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

765 ~~(e) A taxpayer that files a consolidated return in this~~



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

769 Section 49. Effective January 1, 2021, paragraph (a) of
770 subsection (1) of section 220.27, Florida Statutes, is amended
771 to read:

772 220.27 Additional required information.—

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

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

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

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

792 4. The amount of global intangible low-taxed income
793 included in federal taxable income under s. 951A of the Internal
794 Revenue Code, and the amount of the related deduction under s.



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795 250 of the Internal Revenue Code, as it pertains to s. 951A of
796 the Internal Revenue Code.

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

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

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

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

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

818 Section 50. Effective January 1, 2021, section 220.28,
819 Florida Statutes, is created to read:

820 220.28 Water's edge group transitional rules.—

821 (1) For the first taxable year beginning on or after
822 January 1, 2021, a taxpayer that filed a Florida corporate
823 income tax return in the preceding taxable year and that is a



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824 member of a water's edge group shall compute its income together
825 with all members of its water's edge group and file a combined
826 Florida corporate income tax return with all members of its
827 water's edge group.

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

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

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

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



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853 state.

854 Section 51. Effective January 1, 2021, section 220.51,
855 Florida Statutes, is amended to read:

856 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In
857 accordance with the Administrative Procedure Act, chapter 120,
858 the department is authorized to make, adopt ~~promulgate~~, and
859 enforce such reasonable rules and regulations, and to prescribe
860 such forms relating to the administration and enforcement of ~~the~~
861 ~~provisions~~ of this code, as it may deem appropriate, including:

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

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

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

874 Section 52. Effective January 1, 2021, section 220.64,
875 Florida Statutes, is amended to read:

876 220.64 Other provisions applicable to franchise tax.—To the
877 extent that they are not manifestly incompatible with ~~the~~
878 ~~provisions~~ of this part, parts I, III, IV, V, VI, VIII, IX, and
879 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
880 220.15, and 220.16 apply to the franchise tax imposed by this
881 part. Under rules prescribed by the department ~~in s. 220.131~~, a



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882 consolidated return may be filed by any affiliated group of
883 corporations consisting ~~composed~~ of one or more banks or savings
884 associations, ~~its or~~ their Florida parent corporations
885 ~~corporation~~, and any nonbank or nonsavings subsidiaries of such
886 parent corporations ~~corporation~~.

887 Section 53. Effective January 1, 2021, paragraph (f) of
888 subsection (4) and paragraph (a) of subsection (5) of section
889 288.1254, Florida Statutes, are amended to read:

890 288.1254 Entertainment industry financial incentive
891 program.—

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

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

901 (5) TRANSFER OF TAX CREDITS.—

902 (a) *Authorization*.—Upon application to the Office of Film
903 and Entertainment and approval by the department, a certified
904 production company, or a partner or member that has received a
905 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to
906 transfer, in whole or in part, any unused credit amount granted
907 under this section. An election to transfer any unused tax
908 credit amount under chapter 212 or chapter 220 must be made no
909 later than 5 years after the date the credit is awarded, after
910 which period the credit expires and may not be used. The



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911 department shall notify the Department of Revenue of the
912 election and transfer.

913 Section 54. Effective January 1, 2021, subsections (9) and
914 (10) of section 376.30781, Florida Statutes, are amended to
915 read:

916 376.30781 Tax credits for rehabilitation of drycleaning-
917 solvent-contaminated sites and brownfield sites in designated
918 brownfield areas; application process; rulemaking authority;
919 revocation authority.—

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

936 (10) For solid waste removal, new health care facility or
937 health care provider, and affordable housing tax credit
938 applications, the Department of Environmental Protection shall
939 inform the applicant of the department's determination within 90



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

948 Section 55. Funds recaptured pursuant to sections 35
949 through 54 of this act must be appropriated in the General
950 Appropriations Act to the various school districts to reduce the
951 required local effort millage.

952
953 ===== T I T L E A M E N D M E N T =====

954 And the title is amended as follows:

955 Delete line 1981

956 and insert:

957 providing an appropriation; amending s. 220.03, F.S.;

958 revising the definition of the term "taxpayer";

959 defining terms; amending s. 220.13, F.S.; revising the

960 definition of the term "adjusted federal income" to

961 prohibit specified deductions, to limit certain

962 carryovers, and to require subtractions of certain

963 amounts paid and received within a water's edge group

964 for the purpose of determining subtractions from

965 taxable income; conforming provisions to changes made

966 by the act; repealing s. 220.131, F.S., relating to

967 the adjusted federal income of affiliated groups;

968 creating s. 220.136, F.S.; specifying circumstances



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



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