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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/20/2021	.	
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The Committee on Appropriations (Rodriguez) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with



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11 the intent thereof, the following terms shall have the following
12 meanings:

13 (n) "Internal Revenue Code" means the United States
14 Internal Revenue Code of 1986, as amended and in effect on
15 January 1, 2021 ~~2020~~, except as provided in subsection (3).

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

19 (c) Any term used in this code has the same meaning as when
20 used in a comparable context in the Internal Revenue Code and
21 other statutes of the United States relating to federal income
22 taxes, as such code and statutes are in effect on January 1,
23 2021 ~~2020~~. However, if subsection (3) is implemented, the
24 meaning of a term shall be taken at the time the term is applied
25 under this code.

26 Section 2. The amendment to s. 220.03, Florida Statutes,
27 made by this act operates retroactively to January 1, 2021.

28 Section 3. Paragraphs (a), (b), and (e) of subsection (1)
29 of section 220.13, Florida Statutes, are amended to read:

30 220.13 "Adjusted federal income" defined.—

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

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

37 1.a. The amount of any tax upon or measured by income,
38 excluding taxes based on gross receipts or revenues, paid or
39 accrued as a liability to the District of Columbia or any state



40 of the United States which is deductible from gross income in
41 the computation of taxable income for the taxable year.

42 b. Notwithstanding sub-subparagraph a., if a credit taken
43 under s. 220.1875 is added to taxable income in a previous
44 taxable year under subparagraph 11. and is taken as a deduction
45 for federal tax purposes in the current taxable year, the amount
46 of the deduction allowed shall not be added to taxable income in
47 the current year. The exception in this sub-subparagraph is
48 intended to ensure that the credit under s. 220.1875 is added in
49 the applicable taxable year and does not result in a duplicate
50 addition in a subsequent year.

51 2. The amount of interest which is excluded from taxable
52 income under s. 103(a) of the Internal Revenue Code or any other
53 federal law, less the associated expenses disallowed in the
54 computation of taxable income under s. 265 of the Internal
55 Revenue Code or any other law, excluding 60 percent of any
56 amounts included in alternative minimum taxable income, as
57 defined in s. 55(b)(2) of the Internal Revenue Code, if the
58 taxpayer pays tax under s. 220.11(3).

59 3. In the case of a regulated investment company or real
60 estate investment trust, an amount equal to the excess of the
61 net long-term capital gain for the taxable year over the amount
62 of the capital gain dividends attributable to the taxable year.

63 4. That portion of the wages or salaries paid or incurred
64 for the taxable year which is equal to the amount of the credit
65 allowable for the taxable year under s. 220.181. This
66 subparagraph shall expire on the date specified in s. 290.016
67 for the expiration of the Florida Enterprise Zone Act.

68 5. That portion of the ad valorem school taxes paid or



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69 incurred for the taxable year which is equal to the amount of
70 the credit allowable for the taxable year under s. 220.182. This
71 subparagraph shall expire on the date specified in s. 290.016
72 for the expiration of the Florida Enterprise Zone Act.

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

76 7. That portion of assessments to fund a guaranty
77 association incurred for the taxable year which is equal to the
78 amount of the credit allowable for the taxable year.

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

84 9. The amount taken as a credit for the taxable year under
85 s. 220.1895.

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

89 11. The amount taken as a credit for the taxable year under
90 s. 220.1875. The addition in this subparagraph is intended to
91 ensure that the same amount is not allowed for the tax purposes
92 of this state as both a deduction from income and a credit
93 against the tax. This addition is not intended to result in
94 adding the same expense back to income more than once.

95 12. The amount taken as a credit for the taxable year under
96 s. 220.193.

97 13. Any portion of a qualified investment, as defined in s.



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98 288.9913, which is claimed as a deduction by the taxpayer and
99 taken as a credit against income tax pursuant to s. 288.9916.

100 14. The costs to acquire a tax credit pursuant to s.
101 288.1254(5) that are deducted from or otherwise reduce federal
102 taxable income for the taxable year.

103 15. The amount taken as a credit for the taxable year
104 pursuant to s. 220.194.

105 16. The amount taken as a credit for the taxable year under
106 s. 220.196. The addition in this subparagraph is intended to
107 ensure that the same amount is not allowed for the tax purposes
108 of this state as both a deduction from income and a credit
109 against the tax. The addition is not intended to result in
110 adding the same expense back to income more than once.

111 17. For taxable years beginning after December 31, 2018,
112 and before January 1, 2021, there shall be added to such taxable
113 income an amount equal to the excess, if any, of:

114 a. One hundred percent of any amount deducted for federal
115 income tax purposes as business interest expense for the taxable
116 year pursuant to s. 163(j) of the Internal Revenue Code of 1986,
117 as amended by s. 2306 of Pub. L. No. 116-136; over

118 b. One hundred percent of the amount that would be
119 deductible for federal income tax purposes as business interest
120 expense for the taxable year if calculated pursuant to s. 163(j)
121 of the Internal Revenue Code of 1986, as amended by s. 13301 of
122 Pub. L. No. 115-97.

123
124 Any expense added back pursuant to this subparagraph shall be
125 treated as a disallowed business expense carryforward from prior
126 years for the year or years following such addition, until such



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127 time as the expense has been used.

128 18. For taxable years beginning after December 31, 2020,
129 and before January 1, 2023, there shall be added to such taxable
130 income an amount equal to the excess, if any, of:

131 a. One hundred percent of any amount deducted for federal
132 income tax purposes for business meals in the taxable year
133 pursuant to s. 274 of the Internal Revenue Code of 1986, as
134 amended by s. 210 of Division EE of Pub. L. No. 116-260; over

135 b. One hundred percent of the amount that would be
136 deductible for federal income tax purposes for business meals in
137 the taxable year if calculated pursuant to s. 274 of the
138 Internal Revenue Code of 1986, as amended by ss. 13304 and 13310
139 of Pub. L. No. 115-97.

140 19. For taxable years beginning after December 31, 2019,
141 and before January 1, 2022, there shall be added to such taxable
142 income an amount equal to the excess, if any, of:

143 a. One hundred percent of any amount deducted for federal
144 income tax purposes for charitable contributions made in the
145 taxable year pursuant to s. 170 of the Internal Revenue Code of
146 1986, as amended by s. 2205 of Pub. L. No. 116-136, as amended
147 by s. 213 of Division EE of Pub. L. No. 116-260; over

148 b. One hundred percent of the amount that would be
149 deductible for federal income tax purposes for charitable
150 contributions made in the taxable year if calculated pursuant to
151 s. 170 of the Internal Revenue Code of 1986, as amended by s.
152 11023 of Pub. L. No. 115-97.

153 (b) Subtractions.—

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

155 a. The net operating loss deduction allowable for federal



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156 income tax purposes under s. 172 of the Internal Revenue Code
157 for the taxable year, except that any net operating loss that is
158 transferred pursuant to s. 220.194(6) may not be deducted by the
159 seller,

160 b. The net capital loss allowable for federal income tax
161 purposes under s. 1212 of the Internal Revenue Code for the
162 taxable year,

163 c. The excess charitable contribution deduction allowable
164 for federal income tax purposes under s. 170(d)(2) of the
165 Internal Revenue Code for the taxable year, and

166 d. The excess contributions deductions allowable for
167 federal income tax purposes under s. 404 of the Internal Revenue
168 Code for the taxable year.

169
170 However, a net operating loss and a capital loss shall never be
171 carried back as a deduction to a prior taxable year, but all
172 deductions attributable to such losses shall be deemed net
173 operating loss carryovers and capital loss carryovers,
174 respectively, and treated in the same manner, to the same
175 extent, and for the same time periods as are prescribed for such
176 carryovers in ss. 172 and 1212, respectively, of the Internal
177 Revenue Code. For taxable years beginning after December 31,
178 2017, and before January 1, 2021, the net operating loss
179 subtracted pursuant to this subparagraph shall be limited by the
180 percentage limitation pursuant to s. 172(a)(2) of the Internal
181 Revenue Code of 1986, as amended by s. 13302 of Pub. L. No. 115-
182 97.

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



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185 a. Dividends treated as received from sources without the
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. In computing "adjusted federal income" for taxable years
201 beginning after December 31, 1976, there shall be allowed as a
202 deduction the amount of wages and salaries paid or incurred
203 within this state for the taxable year for which no deduction is
204 allowed pursuant to s. 280C(a) of the Internal Revenue Code
205 (relating to credit for employment of certain new employees).

206 4. There shall be subtracted from such taxable income any
207 amount of nonbusiness income included therein.

208 5. There shall be subtracted any amount of taxes of foreign
209 countries allowable as credits for taxable years beginning on or
210 after September 1, 1985, under s. 901 of the Internal Revenue
211 Code to any corporation which derived less than 20 percent of
212 its gross income or loss for its taxable year ended in 1984 from
213 sources within the United States, as described in s.



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214 861(a)(2)(A) of the Internal Revenue Code, not including credits
215 allowed under ss. 902 and 960 of the Internal Revenue Code,
216 withholding taxes on dividends within the meaning of sub-
217 subparagraph 2.a., and withholding taxes on royalties, interest,
218 technical service fees, and capital gains.

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

229 (e) *Adjustments related to federal acts.*—Taxpayers shall be
230 required to make the adjustments prescribed in this paragraph
231 for Florida tax purposes with respect to certain tax benefits
232 received pursuant to the Economic Stimulus Act of 2008, the
233 American Recovery and Reinvestment Act of 2009, the Small
234 Business Jobs Act of 2010, the Tax Relief, Unemployment
235 Insurance Reauthorization, and Job Creation Act of 2010, the
236 American Taxpayer Relief Act of 2012, the Tax Increase
237 Prevention Act of 2014, the Consolidated Appropriations Act,
238 2016, ~~and~~ the Tax Cuts and Jobs Act of 2017, the Coronavirus
239 Aid, Relief, and Economic Security Act of 2020, and the
240 Consolidated Appropriations Act, 2021.

241 1.a. There shall be added to such taxable income an amount
242 equal to 100 percent of any amount deducted for federal income



243 tax purposes as bonus depreciation for the taxable year pursuant
244 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
245 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
246 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.
247 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.
248 113-295, s. 143 of Division Q of Pub. L. No. 114-113, and s.
249 13201 of Pub. L. No. 115-97, for property placed in service
250 after December 31, 2007, and before January 1, 2027. For the
251 taxable year and for each of the 6 subsequent taxable years,
252 there shall be subtracted from such taxable income an amount
253 equal to one-seventh of the amount by which taxable income was
254 increased pursuant to this subparagraph, notwithstanding any
255 sale or other disposition of the property that is the subject of
256 the adjustments and regardless of whether such property remains
257 in service in the hands of the taxpayer.

258 b. Sub-subparagraph a. does not apply to qualified
259 improvement property that was placed in service on or after
260 January 1, 2018. As used in this paragraph, the term "qualified
261 improvement property" has the same meaning as in s. 168(e)(6) of
262 the Internal Revenue Code of 1986.

263 2. There shall be added to such taxable income an amount
264 equal to 100 percent of any amount in excess of \$128,000
265 deducted for federal income tax purposes for the taxable year
266 pursuant to s. 179 of the Internal Revenue Code of 1986, as
267 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
268 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.
269 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.
270 No. 113-295, for taxable years beginning after December 31,
271 2007, and before January 1, 2015. For the taxable year and for



272 each of the 6 subsequent taxable years, there shall be
273 subtracted from such taxable income one-seventh of the amount by
274 which taxable income was increased pursuant to this
275 subparagraph, notwithstanding any sale or other disposition of
276 the property that is the subject of the adjustments and
277 regardless of whether such property remains in service in the
278 hands of the taxpayer.

279 3. There shall be added to such taxable income an amount
280 equal to the amount of deferred income not included in such
281 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
282 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
283 shall be subtracted from such taxable income an amount equal to
284 the amount of deferred income included in such taxable income
285 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
286 as amended by s. 1231 of Pub. L. No. 111-5.

287 4. There shall be added to such taxable income an amount
288 equal to 100 percent of any federal income tax depreciation
289 deducted for qualified improvement property. There shall be
290 subtracted an amount equal to the amount of depreciation that
291 would have been deductible for federal income tax purposes if
292 calculated pursuant to s. 168(b)(3) of the Internal Revenue Code
293 using the applicable recovery period in s. 168(c) of the
294 Internal Revenue Code for nonresidential real property,
295 notwithstanding any sale or other disposition of the property
296 that is the subject of the adjustments, and regardless of
297 whether such property remains in service in the hands of the
298 taxpayer.

299 5. For taxable years beginning after December 31, 2020, and
300 before January 1, 2026, the changes made to the Internal Revenue



301 Code by s. 116 of Division EE of Pub. L. No. 116-260, relating
302 to the extension of expensing rules for qualified film,
303 television, and live theatrical productions under s. 181 of the
304 Internal Revenue Code of 1986, do not apply to this chapter.
305 Taxable income under this section shall be calculated as though
306 changes made by that section were not made to the Internal
307 Revenue Code.

308 6. Subtractions available under this paragraph may be
309 transferred to the surviving or acquiring entity following a
310 merger or acquisition and used in the same manner and with the
311 same limitations as specified by this paragraph.

312 7.5. The additions and subtractions specified in this
313 paragraph are intended to adjust taxable income for Florida tax
314 purposes, and, notwithstanding any other provision of this code,
315 such additions and subtractions shall be permitted to change a
316 taxpayer's net operating loss for Florida tax purposes.

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

318
319 ===== T I T L E A M E N D M E N T =====

320 And the title is amended as follows:

321 Delete everything before the enacting clause
322 and insert:

323 A bill to be entitled
324 An act relating to the corporate income tax; amending
325 s. 220.03, F.S.; adopting the 2021 version of the
326 Internal Revenue Code and other federal statutes
327 relating to federal income taxes for purposes of the
328 state corporate income tax code; providing for
329 retroactive operation; amending s. 220.13, F.S.;



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330 requiring additions to taxable income of certain
331 amounts relating to federal deductions for business
332 interest expense, business meals, and charitable
333 contributions; specifying a limitation on net
334 operating loss subtractions applied during certain
335 taxable years; specifying that Florida bonus
336 depreciation treatment does not apply to certain
337 qualified improvement property; defining the term
338 "qualified improvement property"; specifying required
339 additions and subtractions relating to qualified
340 improvement property; providing that certain federal
341 changes relating to expensing rules for qualified
342 film, television, and live theatrical productions do
343 not apply to the state corporate income tax; providing
344 an effective date.