

FOR CONSIDERATION By the Committee on Finance and Tax

593-03876A-21

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1 A bill to be entitled
2 An act relating to the corporate income tax; amending
3 s. 220.03, F.S.; adopting the 2021 version of the
4 Internal Revenue Code and other federal statutes
5 relating to federal income taxes for purposes of the
6 state corporate income tax code; providing for
7 retroactive operation; amending s. 220.13, F.S.;
8 requiring the addition to adjusted federal income of
9 certain amounts of business interest expense
10 deductible in certain taxable years; providing an
11 effective date.

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13 Be It Enacted by the Legislature of the State of Florida:

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

18 220.03 Definitions.—

19 (1) SPECIFIC TERMS.—When used in this code, and when not
20 otherwise distinctly expressed or manifestly incompatible with
21 the intent thereof, the following terms shall have the following
22 meanings:

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

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

29 (c) Any term used in this code has the same meaning as when

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30 used in a comparable context in the Internal Revenue Code and
31 other statutes of the United States relating to federal income
32 taxes, as such code and statutes are in effect on January 1,
33 2021 ~~2020~~. However, if subsection (3) is implemented, the
34 meaning of a term shall be taken at the time the term is applied
35 under this code.

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

38 Section 3. Paragraph (e) of subsection (1) of section
39 220.13, Florida Statutes, is amended to read:

40 220.13 "Adjusted federal income" defined.—

41 (1) The term "adjusted federal income" means an amount
42 equal to the taxpayer's taxable income as defined in subsection
43 (2), or such taxable income of more than one taxpayer as
44 provided in s. 220.131, for the taxable year, adjusted as
45 follows:

46 (e) *Adjustments related to federal acts.*—Taxpayers shall be
47 required to make the adjustments prescribed in this paragraph
48 for Florida tax purposes with respect to certain tax benefits
49 received pursuant to the Economic Stimulus Act of 2008, the
50 American Recovery and Reinvestment Act of 2009, the Small
51 Business Jobs Act of 2010, the Tax Relief, Unemployment
52 Insurance Reauthorization, and Job Creation Act of 2010, the
53 American Taxpayer Relief Act of 2012, the Tax Increase
54 Prevention Act of 2014, the Consolidated Appropriations Act,
55 2016, and the Tax Cuts and Jobs Act of 2017, and the Coronavirus
56 Aid, Relief, and Economic Security Act of 2020.

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

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59 tax purposes as bonus depreciation for the taxable year pursuant
60 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
61 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
62 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.
63 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.
64 113-295, s. 143 of Division Q of Pub. L. No. 114-113, and s.
65 13201 of Pub. L. No. 115-97, for property placed in service
66 after December 31, 2007, and before January 1, 2027. For the
67 taxable year and for each of the 6 subsequent taxable years,
68 there shall be subtracted from such taxable income an amount
69 equal to one-seventh of the amount by which taxable income was
70 increased pursuant to this subparagraph, notwithstanding any
71 sale or other disposition of the property that is the subject of
72 the adjustments and regardless of whether such property remains
73 in service in the hands of the taxpayer.

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

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

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

98 4. For taxable years beginning after December 31, 2018, and
99 before January 1, 2021, there shall be added to such taxable
100 income an amount equal to the excess, if any, of:

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

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

110 5. Subtractions available under this paragraph may be
111 transferred to the surviving or acquiring entity following a
112 merger or acquisition and used in the same manner and with the
113 same limitations as specified by this paragraph.

114 ~~6.5-~~ The additions and subtractions specified in this
115 paragraph are intended to adjust taxable income for Florida tax
116 purposes, and, notwithstanding any other provision of this code,

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117 such additions and subtractions shall be permitted to change a
118 taxpayer's net operating loss for Florida tax purposes.

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