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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/03/2022	.	
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The Committee on Finance and Tax (Gruters) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Effective upon becoming a law and operating  
retroactively to January 1, 2022, 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



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

14 (n) "Internal Revenue Code" means the United States  
15 Internal Revenue Code of 1986, as amended and in effect on  
16 January 1, 2022 ~~2021~~, except as provided in subsection (3).

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

20 (c) Any term used in this code has the same meaning as when  
21 used in a comparable context in the Internal Revenue Code and  
22 other statutes of the United States relating to federal income  
23 taxes, as such code and statutes are in effect on January 1,  
24 2022 ~~2021~~. However, if subsection (3) is implemented, the  
25 meaning of a term shall be taken at the time the term is applied  
26 under this code.

27 Section 2. Effective January 1, 2023, paragraph (e) of  
28 subsection (1) of section 220.13, Florida Statutes, is amended  
29 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 (e) *Adjustments related to federal acts.*—Taxpayers shall be  
37 required to make the adjustments prescribed in this paragraph  
38 for Florida tax purposes with respect to certain tax benefits  
39 received pursuant to the Economic Stimulus Act of 2008; the



40 American Recovery and Reinvestment Act of 2009; the Small  
41 Business Jobs Act of 2010; the Tax Relief, Unemployment  
42 Insurance Reauthorization, and Job Creation Act of 2010; the  
43 American Taxpayer Relief Act of 2012; the Tax Increase  
44 Prevention Act of 2014; the Consolidated Appropriations Act,  
45 2016; the Tax Cuts and Jobs Act of 2017; and the Coronavirus  
46 Aid, Relief, and Economic Security Act of 2020.

47 1.a. There shall be added to such taxable income an amount  
48 equal to 100 percent of any amount deducted for federal income  
49 tax purposes as bonus depreciation for the taxable year pursuant  
50 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as  
51 amended by s. 103 of Pub. L. No. 110-185; s. 1201 of Pub. L. No.  
52 111-5; s. 2022 of Pub. L. No. 111-240; s. 401 of Pub. L. No.  
53 111-312; s. 331 of Pub. L. No. 112-240; s. 125 of Pub. L. No.  
54 113-295; s. 143 of Division Q of Pub. L. No. 114-113; and s.  
55 13201 of Pub. L. No. 115-97, for property placed in service  
56 after December 31, 2007, and before January 1, 2027.

57 b. For the taxable year and for each of the 6 subsequent  
58 taxable years, there shall be subtracted from such taxable  
59 income an amount equal to one-seventh of the amount by which  
60 taxable income was increased pursuant to this subparagraph,  
61 notwithstanding any sale or other disposition of the property  
62 that is the subject of the adjustments and regardless of whether  
63 such property remains in service in the hands of the taxpayer.

64 c. ~~The provisions of~~ Sub-subparagraph b. does ~~do~~ not apply  
65 to amounts by which taxable income was increased pursuant to  
66 this subparagraph for amounts deducted for federal income tax  
67 purposes as bonus depreciation for qualified improvement  
68 property as defined in s. 168(e)(6) of the Internal Revenue Code



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69 of 1986, as amended by s. 13204 of Pub. L. No. 115-97.

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71 This subparagraph does not apply to property placed in service  
72 in taxable years beginning on or after January 1, 2023.

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

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

97 4. For taxable years beginning on or after January 1, 2023,



98 there shall be added to such taxable income an amount equal to  
99 the amount of business interest taken as a deduction for federal  
100 tax purposes subject to the limitation provided in s. 163(j) of  
101 the Internal Revenue Code. There shall be subtracted from such  
102 taxable income the amount of business interest paid or accrued  
103 within the taxable year which would have been deductible at the  
104 federal level consistent with s. 163 of the Internal Revenue  
105 Code as it existed and applied immediately before the enactment  
106 of the Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97 ~~For~~  
107 ~~taxable years beginning after December 31, 2018, and before~~  
108 ~~January 1, 2021, there shall be added to such taxable income an~~  
109 ~~amount equal to the excess, if any, of:~~

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

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

119  
120 ~~Any expense added back pursuant to this subparagraph shall be~~  
121 ~~treated as a disallowed business expense carryforward from prior~~  
122 ~~years for the year or years following the addition, until such~~  
123 ~~time as the expense has been used.~~

124 ~~5. With respect to qualified improvement property as~~  
125 ~~defined in s. 168(e)(6) of the Internal Revenue Code of 1986, as~~  
126 ~~amended by s. 13204 of Pub. L. No. 115-97, that was placed in~~



127 service on or after January 1, 2018:

128       a. There shall be added to such taxable income an amount  
129 equal to 100 percent of any amount deducted for federal income  
130 tax purposes under s. 167(a) of the Internal Revenue Code of  
131 1986. There shall be subtracted an amount equal to the amount of  
132 depreciation that would have been deductible pursuant to s.  
133 167(a) of the Internal Revenue Code of 1986 in effect on January  
134 1, 2020, and without regard to s. 2307 of Pub. L. No. 116-136,  
135 notwithstanding any sale or other disposition of the property  
136 that is the subject of the adjustments and regardless of whether  
137 such property remains in service in the hands of the taxpayer.

138       b. The department may adopt rules necessary to administer  
139 the provisions of this subparagraph, including rules, forms, and  
140 guidelines for computing depreciation on qualified improvement  
141 property, as defined in s. 168(e)(6) of the Internal Revenue  
142 Code of 1986.

143       6. For taxable years beginning after December 31, 2020, and  
144 before January 1, 2026, the changes made to the Internal Revenue  
145 Code by Pub. L. No. 116-260, Division EE, Title I, s. 116 and  
146 Title II, s. 210 shall not apply to this chapter. Taxable income  
147 under this section shall be calculated as though changes made by  
148 those sections were not made to the Internal Revenue Code. The  
149 Department of Revenue may adopt rules necessary to administer  
150 the provisions of this subparagraph, including rules, forms, and  
151 guidelines for treatment of expenses and depreciation related to  
152 these changes.

153       7. Subtractions available under this paragraph may be  
154 transferred to the surviving or acquiring entity following a  
155 merger or acquisition and used in the same manner and with the



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156 same limitations as specified by this paragraph.

157 8. The additions and subtractions specified in this  
158 paragraph are intended to adjust taxable income for Florida tax  
159 purposes, and, notwithstanding any other provision of this code,  
160 such additions and subtractions shall be permitted to change a  
161 taxpayer's net operating loss for Florida tax purposes.

162 Section 3. Except as otherwise expressly provided in this  
163 act, this act shall take effect upon becoming a law.

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165 ===== T I T L E A M E N D M E N T =====

166 And the title is amended as follows:

167 Delete everything before the enacting clause  
168 and insert:

169 A bill to be entitled  
170 An act relating to the corporate income tax; amending  
171 s. 220.03, F.S.; adopting the 2022 version of the  
172 Internal Revenue Code for purposes of the state  
173 corporate income tax code; providing for retroactive  
174 operation; amending s. 220.13, F.S.; providing  
175 applicability for adjustments taxpayers must make to  
176 adjusted federal income with respect to bonus  
177 depreciation; revising the adjustments taxpayers must  
178 make to adjusted federal income with respect to  
179 business interest; providing effective dates.