

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Nixon offered the following:

2  
3 **Amendment (with title amendment)**

4 Between lines 1786 and 1787, insert:

5 Section 46. Paragraph (z) of subsection (1) of section  
6 220.03, Florida Statutes, is amended, and paragraphs (gg), (hh),  
7 and (ii) are added to that subsection, to read:

8 220.03 Definitions.—

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

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

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

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

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

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

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37 4. It lacks transparency. For purposes of this  
38 subparagraph, a tax regime lacks transparency if the details of  
39 legislative, legal, or administrative requirements are not open  
40 to public scrutiny and apparent or are not consistently applied  
41 among similarly situated taxpayers.

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

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

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

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

59 (ii) "Water's edge group" means a group of corporations  
60 related through common ownership whose business activities are

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61 integrated with, dependent upon, or contribute to a flow of  
62 value among members of the group.

63 Section 47. Section 220.13, Florida Statutes, is amended  
64 to read:

65 220.13 "Adjusted federal income" defined.—

66 (1) The term "adjusted federal income" means an amount  
67 equal to the taxpayer's taxable income as defined in subsection  
68 (2), or such taxable income of a water's edge group ~~more than~~  
69 ~~one taxpayer~~ as provided in s. 220.1363 ~~s. 220.131~~, for the  
70 taxable year, adjusted as follows:

71 (a) Additions.—There shall be added to such taxable  
72 income:

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

78 b. Notwithstanding sub-subparagraph a., if a credit taken  
79 under s. 220.1875, s. 220.1876, or s. 220.1877 is added to  
80 taxable income in a previous taxable year under subparagraph 11.  
81 and is taken as a deduction for federal tax purposes in the  
82 current taxable year, the amount of the deduction allowed shall  
83 not be added to taxable income in the current year. The  
84 exception in this sub-subparagraph is intended to ensure that  
85 the credit under s. 220.1875, s. 220.1876, or s. 220.1877 is

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86 added in the applicable taxable year and does not result in a  
87 duplicate 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  
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

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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. Any amount taken as a credit for the taxable year  
127 under s. 220.1875, s. 220.1876, or s. 220.1877. The addition in  
128 this subparagraph is intended to ensure that the same amount is  
129 not allowed for the tax purposes of this state as both a  
130 deduction from income and a credit against the tax. This  
131 addition is not intended to result in adding the same expense  
132 back to income more than once.

133 12. The amount taken as a credit for the taxable year  
134 under s. 220.193.

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

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

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

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

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

149 17. The amount taken as a credit for the taxable year  
150 pursuant to s. 220.198.

151 (b) Subtractions.—

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

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

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

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

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

167  
168 However, a net operating loss and a capital loss shall never be  
169 carried back as a deduction to a prior taxable year, but all  
170 deductions attributable to such losses shall be deemed net  
171 operating loss carryovers and capital loss carryovers,  
172 respectively, and treated in the same manner, to the same  
173 extent, and for the same time periods as are prescribed for such  
174 carryovers in ss. 172 and 1212, respectively, of the Internal  
175 Revenue Code. A deduction is not allowed for net operating  
176 losses, net capital losses, or excess contribution deductions  
177 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member  
178 of a water's edge group which is not a United States member.  
179 Carryovers of net operating losses, net capital losses, or  
180 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),  
181 172, 1212, and 404 may be subtracted only by the member of the  
182 water's edge group which generates a carryover.

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

185 a. Dividends treated as received from sources without the

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

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

190

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

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

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

210 ~~5.4.~~ There shall be subtracted from such taxable income

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211 any amount of nonbusiness income included therein.

212 ~~6.5.~~ There shall be subtracted any amount of taxes of  
213 foreign countries allowable as credits for taxable years  
214 beginning on or after September 1, 1985, under s. 901 of the  
215 Internal Revenue Code to any corporation which derived less than  
216 20 percent of its gross income or loss for its taxable year  
217 ended in 1984 from sources within the United States, as  
218 described in s. 861(a)(2)(A) of the Internal Revenue Code, not  
219 including credits allowed under ss. 902 and 960 of the Internal  
220 Revenue Code, withholding taxes on dividends within the meaning  
221 of sub-subparagraph 2.a., and withholding taxes on royalties,  
222 interest, technical service fees, and capital gains.

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

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

235 1. In the case of any disposition made after October 19,

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236 1980, the income from an installment sale shall be taken into  
237 account for the purposes of this code in the same manner that  
238 such income is taken into account for federal income tax  
239 purposes.

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

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

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

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261 2016; the Tax Cuts and Jobs Act of 2017; and the Coronavirus  
262 Aid, Relief, and Economic Security Act of 2020.

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

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

280 c. The provisions of sub-subparagraph b. do not apply to  
281 amounts by which taxable income was increased pursuant to this  
282 subparagraph for amounts deducted for federal income tax  
283 purposes as bonus depreciation for qualified improvement  
284 property as defined in s. 168(e)(6) of the Internal Revenue Code  
285 of 1986, as amended by s. 13204 of Pub. L. No. 115-97.

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

302           3. There shall be added to such taxable income an amount  
303 equal to the amount of deferred income not included in such  
304 taxable income pursuant to s. 108(i)(1) of the Internal Revenue  
305 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There  
306 shall be subtracted from such taxable income an amount equal to  
307 the amount of deferred income included in such taxable income  
308 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,  
309 as amended by s. 1231 of Pub. L. No. 111-5.

310           4. For taxable years beginning after December 31, 2018,

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311 and before January 1, 2021, there shall be added to such taxable  
312 income an amount equal to the excess, if any, of:

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

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

322  
323 Any expense added back pursuant to this subparagraph shall be  
324 treated as a disallowed business expense carryforward from prior  
325 years for the year or years following the addition, until such  
326 time as the expense has been used.

327 5. With respect to qualified improvement property as  
328 defined in s. 168(e)(6) of the Internal Revenue Code of 1986, as  
329 amended by s. 13204 of Pub. L. No. 115-97, that was placed in  
330 service on or after January 1, 2018:

331 a. There shall be added to such taxable income an amount  
332 equal to 100 percent of any amount deducted for federal income  
333 tax purposes under s. 167(a) of the Internal Revenue Code of  
334 1986. There shall be subtracted an amount equal to the amount of  
335 depreciation that would have been deductible pursuant to s.

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336 167(a) of the Internal Revenue Code of 1986 in effect on January  
337 1, 2020 and without regard to s. 2307 of Pub. L. No. 116-136,  
338 notwithstanding any sale or other disposition of the property  
339 that is the subject of the adjustments and regardless of whether  
340 such property remains in service in the hands of the taxpayer.

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

346 6. For taxable years beginning after December 31, 2020,  
347 and before January 1, 2026, the changes made to the Internal  
348 Revenue Code by Pub. L. No. 116-260, Division EE, Title I, s.  
349 116 and Title II, s. 210 shall not apply to this chapter.  
350 Taxable income under this section shall be calculated as though  
351 changes made by those sections were not made to the Internal  
352 Revenue Code. The Department of Revenue may adopt rules  
353 necessary to administer the provisions of this subparagraph,  
354 including rules, forms, and guidelines for treatment of expenses  
355 and depreciation related to these changes.

356 7. Subtractions available under this paragraph may be  
357 transferred to the surviving or acquiring entity following a  
358 merger or acquisition and used in the same manner and with the  
359 same limitations as specified by this paragraph.

360 8. The additions and subtractions specified in this

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361 paragraph are intended to adjust taxable income for Florida tax  
362 purposes, and, notwithstanding any other provision of this code,  
363 such additions and subtractions shall be permitted to change a  
364 taxpayer's net operating loss for Florida tax purposes.

365 (2) For purposes of this section, a taxpayer's taxable  
366 income for the taxable year means taxable income as defined in  
367 s. 63 of the Internal Revenue Code and properly reportable for  
368 federal income tax purposes for the taxable year, but subject to  
369 the limitations set forth in paragraph (1)(b) with respect to  
370 the deductions provided by ss. 172 (relating to net operating  
371 losses), 170(d)(2) (relating to excess charitable  
372 contributions), 404(a)(1)(D) (relating to excess pension trust  
373 contributions), 404(a)(3)(A) and (B) (to the extent relating to  
374 excess stock bonus and profit-sharing trust contributions), and  
375 1212 (relating to capital losses) of the Internal Revenue Code,  
376 except that, subject to the same limitations, the term:

377 (a) "Taxable income," in the case of a life insurance  
378 company subject to the tax imposed by s. 801 of the Internal  
379 Revenue Code, means life insurance company taxable income;  
380 however, for purposes of this code, the total of any amounts  
381 subject to tax under s. 815(a)(2) of the Internal Revenue Code  
382 pursuant to s. 801(c) of the Internal Revenue Code shall not  
383 exceed, cumulatively, the total of any amounts determined under  
384 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,  
385 from January 1, 1972, to December 31, 1983;

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

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

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

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

399 (f) "Taxable income," in the case of a corporation which  
400 is a member of an affiliated group of corporations filing a  
401 consolidated income tax return for the taxable year for federal  
402 income tax purposes, means taxable income of such corporation  
403 for federal income tax purposes as if such corporation had filed  
404 a separate federal income tax return for the taxable year and  
405 each preceding taxable year for which it was a member of an  
406 affiliated group, ~~unless a consolidated return for the taxpayer  
407 and others is required or elected under s. 220.131;~~

408 (g) "Taxable income," in the case of a cooperative  
409 corporation or association, means the taxable income of such  
410 organization determined in accordance with the provisions of ss.

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411 1381-1388 of the Internal Revenue Code;

412 (h) "Taxable income," in the case of an organization which  
413 is exempt from the federal income tax by reason of s. 501(a) of  
414 the Internal Revenue Code, means its unrelated business taxable  
415 income as determined under s. 512 of the Internal Revenue Code;

416 (i) "Taxable income," in the case of a corporation for  
417 which there is in effect for the taxable year an election under  
418 s. 1362(a) of the Internal Revenue Code, means the amounts  
419 subject to tax under s. 1374 or s. 1375 of the Internal Revenue  
420 Code for each taxable year;

421 (j) "Taxable income," in the case of a limited liability  
422 company, other than a limited liability company classified as a  
423 partnership for federal income tax purposes, as defined in and  
424 organized pursuant to chapter 605 or qualified to do business in  
425 this state as a foreign limited liability company or other than  
426 a similar limited liability company classified as a partnership  
427 for federal income tax purposes and created as an artificial  
428 entity pursuant to the statutes of the United States or any  
429 other state, territory, possession, or jurisdiction, if such  
430 limited liability company or similar entity is taxable as a  
431 corporation for federal income tax purposes, means taxable  
432 income determined as if such limited liability company were  
433 required to file or had filed a federal corporate income tax  
434 return under the Internal Revenue Code;

435 (k) "Taxable income," in the case of a taxpayer liable for

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436 the alternative minimum tax as defined in s. 55 of the Internal  
 437 Revenue Code, means the alternative minimum taxable income as  
 438 defined in s. 55(b)(2) of the Internal Revenue Code, less the  
 439 exemption amount computed under s. 55(d) of the Internal Revenue  
 440 Code. A taxpayer is not liable for the alternative minimum tax  
 441 unless the taxpayer's federal tax return, or related federal  
 442 consolidated tax return, if included in a consolidated return  
 443 for federal tax purposes, reflect a liability on the return  
 444 filed for the alternative minimum tax as defined in s. 55(b)(2)  
 445 of the Internal Revenue Code;

446 (1) "Taxable income," in the case of a taxpayer whose  
 447 taxable income is not otherwise defined in this subsection,  
 448 means the sum of amounts to which a tax rate specified in s. 11  
 449 of the Internal Revenue Code plus the amount to which a tax rate  
 450 specified in s. 1201(a)(2) of the Internal Revenue Code are  
 451 applied for federal income tax purposes.

452 Section 48. Section 220.131, Florida Statutes, is  
 453 repealed.

454 Section 49. Section 220.136, Florida Statutes, is created  
 455 to read:

456 220.136 Determination of the members of a water's edge  
 457 group.-

458 (1) A corporation having 50 percent or more of its  
 459 outstanding voting stock directly or indirectly owned or  
 460 controlled by a water's edge group is presumed to be a member of

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461 the water's edge group. A corporation having less than 50  
462 percent of its outstanding voting stock directly or indirectly  
463 owned or controlled by a water's edge group is a member of the  
464 water's edge group if the business activities of the corporation  
465 show that the corporation is a member of the water's edge group.  
466 All of the income of a corporation that is a member of a water's  
467 edge group is presumed to be unitary. For purposes of this  
468 subsection, the attribution rules of 26 U.S.C. s. 318 must be  
469 used to determine whether voting stock is indirectly owned.

470 (2) (a) A corporation that conducts business outside the  
471 United States is not a member of a water's edge group if 80  
472 percent or more of the corporation's property and payroll, as  
473 determined by the apportionment factors described in ss.  
474 220.1363 and 220.15, may be assigned to locations outside of the  
475 United States. However, such corporations that are incorporated  
476 in a tax haven may be a member of a water's edge group pursuant  
477 to subsection (1). This subsection does not exempt a corporation  
478 that is not a member of a water's edge group from this chapter.

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

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

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486 Section 50. Section 220.1363, Florida Statutes, is created  
487 to read:

488 220.1363 Water's edge groups; special requirements.-

489 (1) For purposes of this section, the term "water's edge  
490 reporting method" is a method to determine the taxable business  
491 profits of a group of entities conducting a unitary business.  
492 Under this method, the net income of the entities must be added  
493 together, along with the additions and subtractions under s.  
494 220.13, and apportioned to this state as a single taxpayer under  
495 ss. 220.15 and 220.151. However, each special industry member  
496 included in a water's edge group return, which would otherwise  
497 be permitted to use a special method of apportionment under s.  
498 220.151, shall convert its single-factor apportionment to a  
499 three-factor apportionment of property, payroll, and sales. The  
500 special industry member shall calculate the denominator of its  
501 property, payroll, and sales factors in the same manner as those  
502 denominators are calculated by members that are not special  
503 industry members. The numerator of its sales, property, and  
504 payroll factors is the product of the denominator of each factor  
505 multiplied by the premiums or revenue-miles-factor ratio  
506 otherwise applicable under s. 220.151.

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

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

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

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

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

523 (e) The income attributable to the Florida activities of a  
524 corporation that is exempt from taxation under the Interstate  
525 Income Act of 1959, Pub. L. No. 86-272, is excluded from the  
526 apportionment factor numerators in the calculation of corporate  
527 income tax, even if another member of the water's edge group has  
528 nexus with this state and is subject to tax.

529  
530 As used in this subsection, the term "sale" includes, but is not  
531 limited to, loans, payments for the use of intangibles,  
532 dividends, and management fees.

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533 (3) (a) If a parent corporation is a member of the water's  
534 edge group and has nexus with this state, a single water's edge  
535 group return must be filed in the name and under the federal  
536 employer identification number of the parent corporation. If the  
537 water's edge group does not have a parent corporation, if the  
538 parent corporation is not a member of the water's edge group, or  
539 if the parent corporation does not have nexus with this state,  
540 then the members of the water's edge group must choose a member  
541 subject to the tax imposed by this chapter to file the return.  
542 The members of the water's edge group may not choose another  
543 member to file a corporate income tax return in subsequent years  
544 unless the filing member does not maintain nexus with this state  
545 or does not remain a member of the water's edge group. The  
546 return must be signed by an authorized officer of the filing  
547 member as the agent for the water's edge group.

548 (b) If members of a water's edge group have different  
549 taxable years, the taxable year of a majority of the members of  
550 the water's edge group is the taxable year of the water's edge  
551 group. If the taxable years of a majority of the members of a  
552 water's edge group do not correspond, the taxable year of the  
553 member that must file the return for the water's edge group is  
554 the taxable year of the water's edge group.

555 (c)1. A member of a water's edge group having a taxable  
556 year that does not correspond to the taxable year of the water's

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557 edge group shall determine its income for inclusion on the tax  
558 return for the water's edge group. The member shall use:

559 a. The precise amount of taxable income received during  
560 the months corresponding to the taxable year of the water's edge  
561 group, if the precise amount can be readily determined from the  
562 member's books and records.

563 b. The taxable income of the member converted to conform  
564 to the taxable year of the water's edge group on the basis of  
565 the number of months falling within the taxable year of the  
566 water's edge group. For example, if the taxable year of the  
567 water's edge group is a calendar year and a member operates on a  
568 fiscal year ending on April 30, the income of the member must  
569 include 8/12 of the income from the current taxable year and  
570 4/12 of the income from the preceding taxable year. This method  
571 to determine the income of a member may be used only if the  
572 return can be timely filed after the end of the taxable year of  
573 the water's edge group.

574 c. The taxable income of the member during its taxable  
575 year that ends within the taxable year of the water's edge  
576 group.

577 2. The method of determining the income of a member of a  
578 water's edge group whose taxable year does not correspond to the  
579 taxable year of the water's edge group may not change as long as  
580 the member remains a member of the water's edge group. The  
581 apportionment factors for the member must be applied to the

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582 income of the member for the taxable year of the water's edge  
583 group.

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

586 1. Combines the federal income of all members of the  
587 water's edge group;

588 2. Shows all intercompany eliminations;

589 3. Shows Florida additions and subtractions under s.  
590 220.13; and

591 4. Shows the calculation of the combined apportionment  
592 factors.

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

596 1. The income reported to each state;

597 2. The state tax liability;

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

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

603 (5) The department may adopt rules and forms to administer  
604 this section. The Legislature intends to grant the department  
605 extensive authority to adopt rules and forms describing and  
606 defining principles for determining the existence of a water's

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607 edge business, definitions of common control, methods of  
608 reporting, and related forms, principles, and other definitions.

609 Section 51. Section 220.14, Florida Statutes, is amended  
610 to read:

611 220.14 Exemption.—

612 (1) In computing a taxpayer's liability for tax under this  
613 code, there shall be exempt from the tax \$50,000 of net income  
614 as defined in s. 220.12 or such lesser amount as will, without  
615 increasing the taxpayer's federal income tax liability, provide  
616 the state with an amount under this code which is equal to the  
617 maximum federal income tax credit which may be available from  
618 time to time under federal law.

619 (2) In the case of a taxable year for a period of less  
620 than 12 months, the exemption allowed by this section must ~~shall~~  
621 be prorated on the basis of the number of days in such year to  
622 365 days, or, in a leap year, 366 days.

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

625 (4) Notwithstanding any other provision of this code, not  
626 more than one exemption under this section may be allowed to the  
627 Florida members of a controlled group of corporations, as  
628 defined in s. 1563 of the Internal Revenue Code with respect to  
629 taxable years ending on or after December 31, 1970, filing  
630 separate returns under this code. The exemption described in  
631 this section shall be divided equally among such Florida members

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632 of the group, unless all of such members consent, at such time  
633 and in such manner as the department shall by regulation  
634 prescribe, to an apportionment plan providing for an unequal  
635 allocation of such exemption.

636 Section 52. Paragraph (c) of subsection (5) of section  
637 220.15, Florida Statutes, is amended to read:

638 220.15 Apportionment of adjusted federal income.—

639 (5) The sales factor is a fraction the numerator of which  
640 is the total sales of the taxpayer in this state during the  
641 taxable year or period and the denominator of which is the total  
642 sales of the taxpayer everywhere during the taxable year or  
643 period.

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

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

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

652 3. Interest received within this state, other than  
653 interest from loans secured by mortgages, deeds of trust, or  
654 other liens upon real or tangible personal property located  
655 without this state, and dividends received within this state;

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656 4. Interest charged to customers at places of business  
657 maintained within this state for carrying debit balances of  
658 margin accounts, without deduction of any costs incurred in  
659 carrying such accounts;

660 5. Interest, fees, commissions, or other charges or gains  
661 from loans secured by mortgages, deeds of trust, or other liens  
662 upon real or tangible personal property located in this state or  
663 from installment sale agreements originally executed by a  
664 taxpayer or the taxpayer's agent to sell real or tangible  
665 personal property located in this state;

666 6. Rents from real or tangible personal property located  
667 in this state; or

668 7. Any other gross income, including other interest,  
669 resulting from the operation as a financial organization within  
670 this state.

671  
672 ~~In computing the amounts under this paragraph, any amount~~  
673 ~~received by a member of an affiliated group (determined under s.~~  
674 ~~1504(a) of the Internal Revenue Code, but without reference to~~  
675 ~~whether any such corporation is an "includable corporation"~~  
676 ~~under s. 1504(b) of the Internal Revenue Code) from another~~  
677 ~~member of such group shall be included only to the extent such~~  
678 ~~amount exceeds expenses of the recipient directly related~~  
679 ~~thereto.~~

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680 Section 53. Paragraph (f) of subsection (1) of section  
681 220.183, Florida Statutes, is amended to read:

682 220.183 Community contribution tax credit.—

683 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
684 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
685 SPENDING.—

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

689 Section 54. Paragraphs (e) through (k) of subsection (2)  
690 of section 220.1845, Florida Statutes, are redesignated as  
691 paragraphs (d) through (j), respectively, and paragraphs (b) and  
692 (c) and present paragraph (d) of that subsection are amended to  
693 read:

694 220.1845 Contaminated site rehabilitation tax credit.—

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

696 (b) A tax credit applicant, or multiple tax credit  
697 applicants working jointly to clean up a single site, may not be  
698 granted more than \$500,000 per year in tax credits for each site  
699 voluntarily rehabilitated. Multiple tax credit applicants shall  
700 be granted tax credits in the same proportion as their  
701 contribution to payment of cleanup costs. Subject to the same  
702 conditions and limitations as provided in this section, a  
703 municipality, county, or other tax credit applicant which  
704 voluntarily rehabilitates a site may receive not more than

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705 \$500,000 per year in tax credits which it can subsequently  
706 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

707 (c) If the credit granted under this section is not fully  
708 used in any one year because of insufficient tax liability on  
709 the part of the corporation, the unused amount may be carried  
710 forward for up to 5 years. The carryover credit may be used in a  
711 subsequent year if the tax imposed by this chapter for that year  
712 exceeds the credit for which the corporation is eligible in that  
713 year after applying the other credits and unused carryovers in  
714 the order provided by s. 220.02(8). If during the 5-year period  
715 the credit is transferred, in whole or in part, pursuant to  
716 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of  
717 transfer to use its credit.

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

722 Section 55. Subsection (2) of section 220.1875, Florida  
723 Statutes, is amended to read:

724 220.1875 Credit for contributions to eligible nonprofit  
725 scholarship-funding organizations.-

726 ~~(2) A taxpayer who files a Florida consolidated return as~~  
727 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~  
728 ~~allowed the credit on a consolidated return basis; however, the~~

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729 ~~total credit taken by the affiliated group is subject to the~~  
730 ~~limitation established under subsection (1).~~

731 Section 56. Subsection (2) of section 220.1876, Florida  
732 Statutes, is amended to read:

733 220.1876 Credit for contributions to the New Worlds  
734 Reading Initiative.—

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

740 Section 57. Subsection (2) of section 220.1877, Florida  
741 Statutes, is amended to read:

742 220.1877 Credit for contributions to eligible charitable  
743 organizations.—

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

749 Section 58. Paragraphs (a) and (c) of subsection (3) of  
750 section 220.191, Florida Statutes, are amended to read:

751 220.191 Capital investment tax credit.—

752 (3)(a) Notwithstanding subsection (2), an annual credit  
753 against the tax imposed by this chapter shall be granted to a

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754 qualifying business which establishes a qualifying project  
755 pursuant to subparagraph (1)(g)3., in an amount equal to the  
756 lesser of \$15 million or 5 percent of the eligible capital costs  
757 made in connection with a qualifying project, for a period not  
758 to exceed 20 years beginning with the commencement of operations  
759 of the project. The tax credit shall be granted against the  
760 corporate income tax liability of the qualifying business ~~and as~~  
761 ~~further provided in paragraph (c)~~. The total tax credit provided  
762 pursuant to this subsection shall be equal to no more than 100  
763 percent of the eligible capital costs of the qualifying project.

764 (c) The credit granted under this subsection may be used  
765 in whole or in part by the qualifying business ~~or any~~  
766 ~~corporation that is either a member of that qualifying~~  
767 ~~business's affiliated group of corporations, is a related entity~~  
768 ~~taxable as a cooperative under subchapter T of the Internal~~  
769 ~~Revenue Code, or, if the qualifying business is an entity~~  
770 ~~taxable as a cooperative under subchapter T of the Internal~~  
771 ~~Revenue Code, is related to the qualifying business. Any entity~~  
772 ~~related to the qualifying business may continue to file as a~~  
773 ~~member of a Florida-nexus consolidated group pursuant to a prior~~  
774 ~~election made under s. 220.131(1), Florida Statutes (1985), even~~  
775 ~~if the parent of the group changes due to a direct or indirect~~  
776 ~~acquisition of the former common parent of the group. Any credit~~  
777 ~~can be used by any of the affiliated companies or related~~  
778 ~~entities referenced in this paragraph to the same extent as it~~

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779 ~~could have been used by the qualifying business. However, any~~  
780 ~~such use shall not operate to increase the amount of the credit~~  
781 ~~or extend the period within which the credit must be used.~~

782 Section 59. Subsection (2) of section 220.192, Florida  
783 Statutes, is amended to read:

784 220.192 Renewable energy technologies investment tax  
785 credit.—

786 (2) TAX CREDIT.—For tax years beginning on or after  
787 January 1, 2013, a credit against the tax imposed by this  
788 chapter shall be granted in an amount equal to the eligible  
789 costs. Credits may be used in tax years beginning January 1,  
790 2013, and ending December 31, 2016, after which the credit shall  
791 expire. If the credit is not fully used in any one tax year  
792 because of insufficient tax liability on the part of the  
793 corporation, the unused amount may be carried forward and used  
794 in tax years beginning January 1, 2013, and ending December 31,  
795 2018, after which the credit carryover expires and may not be  
796 used. ~~A taxpayer that files a consolidated return in this state~~  
797 ~~as a member of an affiliated group under s. 220.131(1) may be~~  
798 ~~allowed the credit on a consolidated return basis up to the~~  
799 ~~amount of tax imposed upon the consolidated group.~~ Any eligible  
800 cost for which a credit is claimed and which is deducted or  
801 otherwise reduces federal taxable income shall be added back in  
802 computing adjusted federal income under s. 220.13.

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803 Section 60. Paragraphs (f) through (j) of subsection (3)  
804 of section 220.193, Florida Statutes, are redesignated as  
805 paragraphs (e) through (i), respectively, and paragraph (c) and  
806 present paragraph (e) of that subsection are amended to read:

807 220.193 Florida renewable energy production credit.—

808 (3) An annual credit against the tax imposed by this  
809 section shall be allowed to a taxpayer, based on the taxpayer's  
810 production and sale of electricity from a new or expanded  
811 Florida renewable energy facility. For a new facility, the  
812 credit shall be based on the taxpayer's sale of the facility's  
813 entire electrical production. For an expanded facility, the  
814 credit shall be based on the increases in the facility's  
815 electrical production that are achieved after May 1, 2012.

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

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

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828 total production and sales for all applicants in this category  
829 for the fiscal year.

830 2. An applicant who does not qualify under subparagraph 1.  
831 but who claims a credit of \$50,000 or less shall be allocated  
832 credits next, but if the claims for credits under this  
833 subparagraph, combined with credits allocated in subparagraph  
834 1., exceed the state fiscal year cap in paragraph (f) ~~(g)~~,  
835 credits shall be allocated pursuant to this subparagraph on a  
836 prorated basis based upon each applicant's qualified production  
837 and sales as a percentage of total qualified production and  
838 sales for all applicants in this category for the fiscal year.

839 3. An applicant who does not qualify under subparagraph 1.  
840 or subparagraph 2. and an applicant whose credits have not been  
841 fully allocated under subparagraph 1. shall be allocated credits  
842 next. If there is insufficient capacity within the amount  
843 authorized for the state fiscal year in paragraph (f) ~~(g)~~, and  
844 after allocations pursuant to subparagraphs 1. and 2., the  
845 credits allocated under this subparagraph shall be prorated  
846 based upon each applicant's unallocated claims for qualified  
847 production and sales as a percentage of total unallocated claims  
848 for qualified production and sales of all applicants in this  
849 category, up to a maximum of \$1 million per taxpayer per state  
850 fiscal year. If, after application of this \$1 million cap, there  
851 is excess capacity under the state fiscal year cap in paragraph  
852 (f) ~~(g)~~ in any state fiscal year, that remaining capacity shall

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853 be used to allocate additional credits with priority given in  
854 the order set forth in this subparagraph and without regard to  
855 the \$1 million per taxpayer cap.

856 ~~(c) A taxpayer that files a consolidated return in this~~  
857 ~~state as a member of an affiliated group under s. 220.131(1) may~~  
858 ~~be allowed the credit on a consolidated return basis up to the~~  
859 ~~amount of tax imposed upon the consolidated group.~~

860 Section 61. Paragraph (a) of subsection (1) of section  
861 220.27, Florida Statutes, is amended to read:

862 220.27 Additional required information.—

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

868 1. The taxpayer's name, federal taxpayer identification  
869 number, taxable year beginning date, taxable year ending date,  
870 and whether a consolidated return for the taxpayer is required  
871 ~~or elected under s. 220.131.~~

872 2. The taxpayer's NAICS code for business activity that  
873 generates the greatest proportion of gross receipts of the  
874 taxpayer. As used in this paragraph, the term "NAICS" means  
875 those classifications contained in the North American Industry  
876 Classification System, as published in 2007 by the Office of  
877 Management and Budget, Executive Office of the President.

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

881 4. The amount of global intangible low-taxed income  
882 included in federal taxable income under s. 951A of the Internal  
883 Revenue Code, and the amount of the related deduction under s.  
884 250 of the Internal Revenue Code, as it pertains to s. 951A of  
885 the Internal Revenue Code.

886 5. The amount of foreign-derived intangible income  
887 computed for the federal return for the taxable year and the  
888 amount of the related deduction under s. 250 of the Internal  
889 Revenue Code, as it pertains to foreign-derived intangible  
890 income.

891 6. The amount of business interest expense deducted on the  
892 federal return under s. 163 of the Internal Revenue Code,  
893 including any carryover; the amount of current year business  
894 interest expense, including any carryover, that was not deducted  
895 due to the limitation in s. 163(j) of the Internal Revenue Code;  
896 and the amount of business interest expense carried over from  
897 previous taxable years.

898 7. The amount of federal net operating loss deduction  
899 under s. 172 of the Internal Revenue Code, applied in  
900 determining federal taxable income and the amount of federal net  
901 operating loss carryover that was not applied due to the  
902 limitation in s. 172(a)(2) of the Internal Revenue Code.

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

905 9. The total amount of the state alternative minimum tax  
906 credit carryover available after the filing of the return for  
907 the taxable year.

908 Section 62. Section 220.51, Florida Statutes, is amended  
909 to read:

910 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In  
911 accordance with the Administrative Procedure Act, chapter 120,  
912 the department is authorized to make, adopt ~~promulgate~~, and  
913 enforce such reasonable rules and regulations, and to prescribe  
914 such forms relating to the administration and enforcement of ~~the~~  
915 ~~provisions of~~ this code, as it may deem appropriate, including:

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

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

924 ~~(3) Regulations relating to consolidated reporting for~~  
925 ~~affiliated groups of corporations, in order to provide for an~~  
926 ~~equitable and just administration of this code with respect to~~  
927 ~~multicorporate taxpayers.~~

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928 Section 63. Section 220.64, Florida Statutes, is amended  
929 to read:

930 220.64 Other provisions applicable to franchise tax.—To  
931 the extent that they are not manifestly incompatible with ~~the~~  
932 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and  
933 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,  
934 220.15, and 220.16 apply to the franchise tax imposed by this  
935 part. Under rules prescribed by the department ~~in s. 220.131,~~ a  
936 consolidated return may be filed by any affiliated group of  
937 corporations composed of one or more banks or savings  
938 associations, ~~its or~~ their Florida parent corporations  
939 ~~corporation,~~ and any nonbank or nonsavings subsidiaries of such  
940 parent corporations ~~corporation.~~

941 Section 64. Paragraph (g) and (h) of subsection (4) of  
942 section 288.1254, Florida Statutes, are redesignated as  
943 paragraphs (f) and (g), respectively, and present paragraph (f)  
944 of subsection (4) and paragraph (a) of subsection (5) are  
945 amended to read:

946 288.1254 Entertainment industry financial incentive  
947 program.—

948 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
949 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;  
950 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
951 ACQUISITIONS.—

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

957 (5) TRANSFER OF TAX CREDITS.—

958 (a) *Authorization.*—Upon application to the Office of Film  
959 and Entertainment and approval by the department, a certified  
960 production company, or a partner or member that has received a  
961 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to  
962 transfer, in whole or in part, any unused credit amount granted  
963 under this section. An election to transfer any unused tax  
964 credit amount under chapter 212 or chapter 220 must be made no  
965 later than 5 years after the date the credit is awarded, after  
966 which period the credit expires and may not be used. The  
967 department shall notify the Department of Revenue of the  
968 election and transfer.

969 Section 65. Subsections (9) and (10) of section 376.30781,  
970 Florida Statutes, are amended to read:

971 376.30781 Tax credits for rehabilitation of drycleaning-  
972 solvent-contaminated sites and brownfield sites in designated  
973 brownfield areas; application process; rulemaking authority;  
974 revocation authority.—

975 (9) On or before May 1, the Department of Environmental  
976 Protection shall inform each tax credit applicant that is

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977 subject to the January 31 annual application deadline of the  
978 applicant's eligibility status and the amount of any tax credit  
979 due. The department shall provide each eligible tax credit  
980 applicant with a tax credit certificate that must be submitted  
981 with its tax return to the Department of Revenue to claim the  
982 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~  
983 ~~220.1845(2)(g)~~. The May 1 deadline for annual site  
984 rehabilitation tax credit certificate awards shall not apply to  
985 any tax credit application for which the department has issued a  
986 notice of deficiency pursuant to subsection (8). The department  
987 shall respond within 90 days after receiving a response from the  
988 tax credit applicant to such a notice of deficiency. Credits may  
989 not result in the payment of refunds if total credits exceed the  
990 amount of tax owed.

991 (10) For solid waste removal, new health care facility or  
992 health care provider, and affordable housing tax credit  
993 applications, the Department of Environmental Protection shall  
994 inform the applicant of the department's determination within 90  
995 days after the application is deemed complete. Each eligible tax  
996 credit applicant shall be informed of the amount of its tax  
997 credit and provided with a tax credit certificate that must be  
998 submitted with its tax return to the Department of Revenue to  
999 claim the tax credit or be transferred pursuant to s.  
1000 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the

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1001 payment of refunds if total credits exceed the amount of tax  
1002 owed.

1003 Section 66. Transitional rules.-

1004 (1) For the first taxable year beginning on or after  
1005 January 1, 2023, a taxpayer that filed a Florida corporate  
1006 income tax return in the preceding taxable year and that is a  
1007 member of a water's edge group shall compute its income together  
1008 with all members of its water's edge group and file a combined  
1009 Florida corporate income tax return with all members of its  
1010 water's edge group.

1011 (2) An affiliated group of corporations which filed a  
1012 Florida consolidated corporate income tax return pursuant to an  
1013 election provided in former s. 220.131, Florida Statutes, shall  
1014 cease filing a Florida consolidated return for taxable years  
1015 beginning on or after January 1, 2023, and shall file a combined  
1016 Florida corporate income tax return with all members of its  
1017 water's edge group.

1018 (3) An affiliated group of corporations which filed a  
1019 Florida consolidated corporate income tax return pursuant to the  
1020 election in s. 220.131(1), Florida Statutes (1985), which  
1021 allowed the affiliated group to make an election within 90 days  
1022 after December 20, 1984, or upon filing the taxpayer's first  
1023 return after December 20, 1984, whichever was later, shall cease  
1024 filing a Florida consolidated corporate income tax return using  
1025 that method for taxable years beginning on or after January 1,

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1026 2023, and shall file a combined Florida corporate income tax  
1027 return with all members of its water's edge group.

1028 (4) A taxpayer that is not a member of a water's edge  
1029 group remains subject to chapter 220, Florida Statutes, and  
1030 shall file a separate Florida corporate income tax return as  
1031 previously required.

1032 (5) For taxable years beginning on or after January 1,  
1033 2023, a tax return for a member of a water's edge group must be  
1034 a combined Florida corporate income tax return that includes tax  
1035 information for all members of the water's edge group. The tax  
1036 return must be filed by a member that has a nexus with this  
1037 state.

1038 Section 67. Any additional revenue received as a result of  
1039 the enactment of this act must deposited into the General  
1040 Revenue Fund.

1041 -----  
1042 -----

1043 **T I T L E A M E N D M E N T**

1044 Remove line 180 and insert:  
1045 garage doors during a specified timeframe; amending s.  
1046 220.03, F.S.; revising the definition of the term  
1047 "taxpayer"; defining terms; amending s. 220.13, F.S.;  
1048 revising the definition of the term "adjusted federal  
1049 income" to prohibit specified deductions, to limit  
1050 certain carryovers, and to require subtractions of

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1051 certain dividends paid and received within a water's  
1052 edge group for the purpose of determining subtractions  
1053 from taxable income; conforming provisions to changes  
1054 made by the act; repealing s. 220.131, F.S., relating  
1055 to the adjusted federal income of affiliated groups;  
1056 creating s. 220.136, F.S.; specifying circumstances  
1057 under which a corporation is presumed to be, deemed to  
1058 be, or deemed not to be a member of a water's edge  
1059 group; providing construction; defining the term  
1060 "United States"; creating s. 220.1363, F.S.; defining  
1061 the term "water's edge reporting method"; specifying  
1062 requirements for, limitations on, and prohibitions in  
1063 calculating and reporting income in a water's edge  
1064 group return; requiring all members of a water's edge  
1065 group to use the water's edge reporting method;  
1066 defining the term "sale"; specifying requirements for  
1067 designating the filing member and the taxable year of  
1068 the water's edge group; specifying income reporting  
1069 requirements for certain members of the water's edge  
1070 group; requiring that a water's edge group return  
1071 include a specified computational schedule and  
1072 domestic disclosure spreadsheet; authorizing the  
1073 Department of Revenue to adopt rules; providing  
1074 legislative intent regarding the adoption of rules;  
1075 amending s. 220.14, F.S.; revising the calculation for

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1076 | prorating a certain corporate income tax exemption to  
1077 | reflect leap years; conforming a provision to changes  
1078 | made by the act; amending ss. 220.15, 220.183,  
1079 | 220.1845, 220.1875, 220.1876, 220.1877, 220.191,  
1080 | 220.192, 220.193, 220.27, and 220.51, F.S.; conforming  
1081 | provisions to changes made by the act; amending s.  
1082 | 220.64, F.S.; providing applicability of water's edge  
1083 | group provisions to the franchise tax; conforming  
1084 | provisions to changes made by the act; amending ss.  
1085 | 288.1254 and 376.30781, F.S.; conforming provisions to  
1086 | changes made by the act; specifying, beginning on a  
1087 | specified date, requirements for corporate income tax  
1088 | return filings for certain taxpayers; requiring that  
1089 | recaptured funds be deposited into the General Revenue  
1090 | Fund; authorizing

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