

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Eskamani offered the following:

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

4 Between lines 1531 and 1532, insert:

5 Section 22. 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 23. 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.

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

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

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

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

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

126 11. 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.

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

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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,

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.

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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
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

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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
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

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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,
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

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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,
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

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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.

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

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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,
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:

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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.
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-
338 136, notwithstanding any sale or other disposition of the
339 property that is the subject of the adjustments and regardless
340 of whether such property remains in service in the hands of the
341 taxpayer.

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

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

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355 including rules, forms, and guidelines for treatment of expenses
356 and depreciation related to these changes.

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

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

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

378 (a) "Taxable income," in the case of a life insurance
379 company subject to the tax imposed by s. 801 of the Internal

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

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

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

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

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

400 (f) "Taxable income," in the case of a corporation which
401 is a member of an affiliated group of corporations filing a
402 consolidated income tax return for the taxable year for federal
403 income tax purposes, means taxable income of such corporation
404 for federal income tax purposes as if such corporation had filed

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405 a separate federal income tax return for the taxable year and
406 each preceding taxable year for which it was a member of an
407 affiliated group, ~~unless a consolidated return for the taxpayer~~
408 ~~and others is required or elected under s. 220.131;~~

409 (g) "Taxable income," in the case of a cooperative
410 corporation or association, means the taxable income of such
411 organization determined in accordance with the provisions of ss.
412 1381-1388 of the Internal Revenue Code;

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

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

422 (j) "Taxable income," in the case of a limited liability
423 company, other than a limited liability company classified as a
424 partnership for federal income tax purposes, as defined in and
425 organized pursuant to chapter 605 or qualified to do business in
426 this state as a foreign limited liability company or other than
427 a similar limited liability company classified as a partnership
428 for federal income tax purposes and created as an artificial
429 entity pursuant to the statutes of the United States or any

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430 other state, territory, possession, or jurisdiction, if such
431 limited liability company or similar entity is taxable as a
432 corporation for federal income tax purposes, means taxable
433 income determined as if such limited liability company were
434 required to file or had filed a federal corporate income tax
435 return under the Internal Revenue Code;

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

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

453 Section 24. Section 220.131, Florida Statutes, is
454 repealed.

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455 Section 25. Section 220.136, Florida Statutes, is created
456 to read:

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

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

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

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

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

487 Section 26. Section 220.1363, Florida Statutes, is created
488 to read:

489 220.1363 Water's edge groups; special requirements.-

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

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505 payroll factors is the product of the denominator of each factor
506 multiplied by the premiums or revenue-miles-factor ratio
507 otherwise applicable under s. 220.151.

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

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

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

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

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

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

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

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

549 (b) If members of a water's edge group have different
550 taxable years, the taxable year of a majority of the members of
551 the water's edge group is the taxable year of the water's edge
552 group. If the taxable years of a majority of the members of a
553 water's edge group do not correspond, the taxable year of the

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554 member that must file the return for the water's edge group is
555 the taxable year of the water's edge group.

556 (c)1. A member of a water's edge group having a taxable
557 year that does not correspond to the taxable year of the water's
558 edge group shall determine its income for inclusion on the tax
559 return for the water's edge group. The member shall use:

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

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

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

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

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

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

589 2. Shows all intercompany eliminations;

590 3. Shows Florida additions and subtractions under s.
591 220.13; and

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

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

597 1. The income reported to each state;

598 2. The state tax liability;

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

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

604 (5) The department may adopt rules and forms to administer
605 this section. The Legislature intends to grant the department
606 extensive authority to adopt rules and forms describing and
607 defining principles for determining the existence of a water's
608 edge business, definitions of common control, methods of
609 reporting, and related forms, principles, and other definitions.

610 Section 27. Section 220.14, Florida Statutes, is amended
611 to read:

612 220.14 Exemption.—

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

620 (2) In the case of a taxable year for a period of less
621 than 12 months, the exemption allowed by this section must ~~shall~~
622 be prorated on the basis of the number of days in such year to
623 365 days, or, in a leap year, 366 days.

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

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626 (4) Notwithstanding any other provision of this code, not
627 more than one exemption under this section may be allowed to the
628 Florida members of a controlled group of corporations, as
629 defined in s. 1563 of the Internal Revenue Code with respect to
630 taxable years ending on or after December 31, 1970, filing
631 separate returns under this code. The exemption described in
632 this section shall be divided equally among such Florida members
633 of the group, unless all of such members consent, at such time
634 and in such manner as the department shall by regulation
635 prescribe, to an apportionment plan providing for an unequal
636 allocation of such exemption.

637 Section 28. Paragraph (c) of subsection (5) of section
638 220.15, Florida Statutes, is amended to read:

639 220.15 Apportionment of adjusted federal income.—

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

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

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

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

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

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

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

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

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

672
673 ~~In computing the amounts under this paragraph, any amount~~
674 ~~received by a member of an affiliated group (determined under s.~~
675 ~~1504(a) of the Internal Revenue Code, but without reference to~~

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676 ~~whether any such corporation is an "includable corporation"~~
677 ~~under s. 1504(b) of the Internal Revenue Code) from another~~
678 ~~member of such group shall be included only to the extent such~~
679 ~~amount exceeds expenses of the recipient directly related~~
680 ~~thereto.~~

681 Section 29. Paragraph (f) of subsection (1) of section
682 220.183, Florida Statutes, is amended to read:

683 220.183 Community contribution tax credit.—

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

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

690 Section 30. Paragraphs (b), (c), and (d) of subsection (2)
691 of section 220.1845, Florida Statutes, are amended to read:

692 220.1845 Contaminated site rehabilitation tax credit.—

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

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

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701 municipality, county, or other tax credit applicant which
702 voluntarily rehabilitates a site may receive not more than
703 \$500,000 per year in tax credits which it can subsequently
704 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

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

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

720 Section 31. Subsection (2) of section 220.1875, Florida
721 Statutes, is amended to read:

722 220.1875 Credit for contributions to eligible nonprofit
723 scholarship-funding organizations.—

724 ~~(2) A taxpayer who files a Florida consolidated return as~~
725 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~

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726 ~~allowed the credit on a consolidated return basis; however, the~~
727 ~~total credit taken by the affiliated group is subject to the~~
728 ~~limitation established under subsection (1).~~

729 Section 32. Subsection (2) of section 220.1876, Florida
730 Statutes, is amended to read:

731 220.1876 Credit for contributions to the New Worlds
732 Reading Initiative.—

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

738 Section 33. Subsection (2) of section 220.1877, Florida
739 Statutes, is amended to read:

740 220.1877 Credit for contributions to eligible charitable
741 organizations.—

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

747 Section 34. Paragraphs (a) and (c) of subsection (3) of
748 section 220.191, Florida Statutes, are amended to read:

749 220.191 Capital investment tax credit.—

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750 (3)(a) Notwithstanding subsection (2), an annual credit
751 against the tax imposed by this chapter shall be granted to a
752 qualifying business which establishes a qualifying project
753 pursuant to subparagraph (1)(g)3., in an amount equal to the
754 lesser of \$15 million or 5 percent of the eligible capital costs
755 made in connection with a qualifying project, for a period not
756 to exceed 20 years beginning with the commencement of operations
757 of the project. The tax credit shall be granted against the
758 corporate income tax liability of the qualifying business ~~and as~~
759 ~~further provided in paragraph (c).~~ The total tax credit provided
760 pursuant to this subsection shall be equal to no more than 100
761 percent of the eligible capital costs of the qualifying project.

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

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775 ~~can be used by any of the affiliated companies or related~~
776 ~~entities referenced in this paragraph to the same extent as it~~
777 ~~could have been used by the qualifying business. However, any~~
778 ~~such use shall not operate to increase the amount of the credit~~
779 ~~or extend the period within which the credit must be used.~~

780 Section 35. Subsection (2) of section 220.192, Florida
781 Statutes, is amended to read:

782 220.192 Renewable energy technologies investment tax
783 credit.—

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

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799 otherwise reduces federal taxable income shall be added back in
800 computing adjusted federal income under s. 220.13.

801 Section 36. Paragraphs (c) and (e) of subsection (3) of
802 section 220.193, Florida Statutes, are amended to read:

803 220.193 Florida renewable energy production credit.—

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

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

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

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824 total production and sales for all applicants in this category
825 for the fiscal year.

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

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

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

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

856 Section 37. Paragraph (a) of subsection (1) of section
857 220.27, Florida Statutes, is amended to read:

858 220.27 Additional required information.—

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

864 1. The taxpayer's name, federal taxpayer identification
865 number, taxable year beginning date, and taxable year ending
866 date, ~~and whether a consolidated return for the taxpayer is~~
867 ~~required or elected under s. 220.131.~~

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

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

877 4. The amount of global intangible low-taxed income
878 included in federal taxable income under s. 951A of the Internal
879 Revenue Code, and the amount of the related deduction under s.
880 250 of the Internal Revenue Code, as it pertains to s. 951A of
881 the Internal Revenue Code.

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

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

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

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

901 9. The total amount of the state alternative minimum tax
902 credit carryover available after the filing of the return for
903 the taxable year.

904 Section 38. Section 220.51, Florida Statutes, is amended
905 to read:

906 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In
907 accordance with the Administrative Procedure Act, chapter 120,
908 the department is authorized to make, adopt ~~promulgate~~, and
909 enforce such reasonable rules and regulations, and to prescribe
910 such forms relating to the administration and enforcement of ~~the~~
911 ~~provisions of~~ this code, as it may deem appropriate, including:

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

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

920 ~~(3) Regulations relating to consolidated reporting for~~
921 ~~affiliated groups of corporations, in order to provide for an~~
922 ~~equitable and just administration of this code with respect to~~
923 ~~multicorporate taxpayers.~~

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924 Section 39. Section 220.64, Florida Statutes, is amended
925 to read:

926 220.64 Other provisions applicable to franchise tax.—To
927 the extent that they are not manifestly incompatible with ~~the~~
928 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and
929 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
930 220.15, and 220.16 apply to the franchise tax imposed by this
931 part. Under rules prescribed by the department ~~in s. 220.131,~~ a
932 consolidated return may be filed by any affiliated group of
933 corporations composed of one or more banks or savings
934 associations, ~~its or~~ their Florida parent corporations
935 ~~corporation,~~ and any nonbank or nonsavings subsidiaries of such
936 parent corporations ~~corporation.~~

937 Section 40. Paragraph (f) of subsection (4) and paragraph
938 (a) of subsection (5) of section 288.1254, Florida Statutes, are
939 amended to read:

940 288.1254 Entertainment industry financial incentive
941 program.—

942 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
943 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
944 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
945 ACQUISITIONS.—

946 ~~(f) Consolidated returns.—A certified production company~~
947 ~~that files a Florida consolidated return as a member of an~~
948 ~~affiliated group under s. 220.131(1) may be allowed the credit~~

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949 ~~on a consolidated return basis up to the amount of the tax~~
950 ~~imposed upon the consolidated group under chapter 220.~~

951 (5) TRANSFER OF TAX CREDITS.—

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

963 Section 41. Subsections (9) and (10) of section 376.30781,
964 Florida Statutes, are amended to read:

965 376.30781 Tax credits for rehabilitation of drycleaning-
966 solvent-contaminated sites and brownfield sites in designated
967 brownfield areas; application process; rulemaking authority;
968 revocation authority.—

969 (9) On or before May 1, the Department of Environmental
970 Protection shall inform each tax credit applicant that is
971 subject to the January 31 annual application deadline of the
972 applicant's eligibility status and the amount of any tax credit
973 due. The department shall provide each eligible tax credit

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

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

997 Section 42. Transitional rules.-

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998 (1) For the first taxable year beginning on or after
999 January 1, 2023, a taxpayer that filed a Florida corporate
1000 income tax return in the preceding taxable year and that is a
1001 member of a water's edge group shall compute its income together
1002 with all members of its water's edge group and file a combined
1003 Florida corporate income tax return with all members of its
1004 water's edge group.

1005 (2) An affiliated group of corporations which filed a
1006 Florida consolidated corporate income tax return pursuant to an
1007 election provided in former s. 220.131, Florida Statutes, shall
1008 cease filing a Florida consolidated return for taxable years
1009 beginning on or after January 1, 2023, and shall file a combined
1010 Florida corporate income tax return with all members of its
1011 water's edge group.

1012 (3) An affiliated group of corporations which filed a
1013 Florida consolidated corporate income tax return pursuant to the
1014 election in s. 220.131(1), Florida Statutes (1985), which
1015 allowed the affiliated group to make an election within 90 days
1016 after December 20, 1984, or upon filing the taxpayer's first
1017 return after December 20, 1984, whichever was later, shall cease
1018 filing a Florida consolidated corporate income tax return using
1019 that method for taxable years beginning on or after January 1,
1020 2023 and shall file a combined Florida corporate income tax
1021 return with all members of its water's edge group.

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1022 (4) A taxpayer that is not a member of a water's edge
1023 group remains subject to chapter 220, Florida Statutes, and
1024 shall file a separate Florida corporate income tax return as
1025 previously required.

1026 (5) For taxable years beginning on or after January 1,
1027 2023, a tax return for a member of a water's edge group must be
1028 a combined Florida corporate income tax return that includes tax
1029 information for all members of the water's edge group. The tax
1030 return must be filed by a member that has a nexus with this
1031 state.

1032 Section 43. Any additional revenue received as a result of
1033 the enactment of sections 22 through 42 of this act must be used
1034 to create rebate programs for roof hardening activities for
1035 Florida homeowners.

1036
1037 -----

1038 **T I T L E A M E N D M E N T**

1039 Remove lines 2-164 and insert:
1040 An act relating to property insurance and corporate
1041 income tax; creating s. 215.5551, F.S.; creating the
1042 Reinsurance to Assist Policyholders program to be
1043 administered by the State Board of Administration;
1044 defining terms; requiring certain property insurers to
1045 obtain coverage under the program; requiring the board
1046 to provide reimbursement to property insurers under

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1047 the program; requiring the board and property insurers
1048 to enter into contracts to provide certain insurance
1049 reimbursement; providing requirements for the
1050 contracts; providing construction; providing
1051 calculations for specified amounts of losses to
1052 determine reimbursement under the program; authorizing
1053 the board to inspect, examine, and verify insurer
1054 records; providing insurer eligibility qualifications
1055 for the program; providing for disqualification;
1056 requiring certain insurers to notify the board under a
1057 specified circumstance; providing for deferral of
1058 coverage under the program; prohibiting premiums from
1059 being charged for participation in the program;
1060 providing that the program does not affect the claims-
1061 paying capacity of the Florida Hurricane Catastrophe
1062 Fund; requiring the program to pay reimbursements
1063 directly to the applicable state guaranty fund in the
1064 event of insolvency; specifying requirements for the
1065 Florida Hurricane Catastrophe Fund if an insurer or
1066 the Citizens Property Insurance Corporation accept
1067 assignments of unsound insurers; providing that
1068 certain violations are violations of the insurance
1069 code; authorizing the board to enforce certain
1070 requirements; authorizing the board to adopt
1071 nonemergency rules and emergency rules; providing

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1072 legislative findings; specifying conditions and
1073 limitations for any emergency rules adopted; providing
1074 legislative intent; requiring the board to submit a
1075 written notice within a certain timeframe to the
1076 Executive Office of the Governor relating to the
1077 program funds, under certain circumstances; providing
1078 a requirement for the notice and subsequent requests;
1079 requiring the Executive Office of the Governor to
1080 instruct the Chief Financial Officer to draw a warrant
1081 for a transfer to the board for the program under
1082 certain circumstances and to provide notification to
1083 specified persons within a certain timeframe;
1084 prohibiting cumulative transfers from exceeding a
1085 specified amount; providing reporting requirements;
1086 providing for expiration and transfer of unencumbered
1087 funds; requiring certain property insurers to reduce
1088 rates to reflect certain cost savings through rate
1089 filings by a specified date; prohibiting such insurers
1090 from making other rate changes; requiring the Office
1091 of Insurance Regulation to expedite the review of
1092 certain filings; amending s. 215.5586, F.S.; revising
1093 homeowner eligibility criteria for mitigation grants;
1094 specifying matching requirements for grants; revising
1095 reporting requirements; providing an appropriation;
1096 requiring the Department of Financial Services to

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1097 submit budget amendments; specifying requirements for
1098 budget amendments; providing for reversion and
1099 appropriation of any unexpended balance; authorizing
1100 the Department of Financial Services to adopt
1101 emergency rules; providing legislative findings;
1102 providing that such rules remain in effect until
1103 replaced by rules adopted using nonemergency
1104 rulemaking procedures; providing for expiration;
1105 amending s. 489.147, F.S.; revising the definition of
1106 the term "prohibited advertisement"; creating s.
1107 624.1551, F.S.; requiring claimants to establish that
1108 property insurers have breached the insurance contract
1109 to prevail in certain claims for damages; amending s.
1110 624.307, F.S.; requiring the office to publish certain
1111 information on its website; amending s. 624.313, F.S.;
1112 revising the information the office must include in a
1113 certain annual report; amending s. 624.315, F.S.;
1114 revising the information the office must include in
1115 certain reports; amending s. 624.424, F.S.; requiring
1116 the Office of Insurance Regulation to aggregate on a
1117 statewide basis and make publicly available certain
1118 data submitted by insurers and insurer groups;
1119 specifying requirements for publishing such data;
1120 providing that such information is not a trade secret
1121 and is not subject to a certain public records

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1122 exemption; amending s. 626.9373, F.S.; revising
1123 conditions for the award of reasonable attorney fees
1124 to apply to all suits brought under residential or
1125 commercial property insurance policies, rather than
1126 those not brought by assignees; limiting the transfer,
1127 assignment, or acquisition of rights to attorney fees
1128 in certain property insurance suits; amending s.
1129 627.428, F.S.; revising conditions for the award of
1130 reasonable attorney fees to apply to all suits brought
1131 under residential or commercial property insurance
1132 policies, rather than those not brought by assignees;
1133 limiting the transfer, assignment, or acquisition of
1134 rights to attorney fees in certain property insurance
1135 suits; amending s. 627.701, F.S.; revising a
1136 prohibition against the issuance of insurance policies
1137 containing certain deductible provisions; revising the
1138 conditions a personal lines residential property
1139 insurance policy covering certain risks must meet
1140 under certain circumstances; requiring personal lines
1141 residential property insurance policies containing
1142 separate roof deductibles to include specified
1143 information; authorizing property insurers to include
1144 separate roof deductibles if certain requirements are
1145 met; providing requirements for policyholders in
1146 rejecting such deductibles under certain

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1147 | circumstances; requiring the office to expedite the
1148 | review of filing of certain forms; authorizing the
1149 | commission to adopt certain model forms or guidelines;
1150 | requiring the office to review certain filings within
1151 | a specified timeframe; providing that roof deductible
1152 | portions of the filing are not subject to a specified
1153 | extension for review; amending s. 627.7011, F.S.;
1154 | authorizing property insurers to limit certain roof
1155 | claim payments under certain circumstances; defining
1156 | the term "authorized inspector"; prohibiting insurers
1157 | from refusing to issue or renew homeowners' policies
1158 | insuring certain structures; requiring insurers to
1159 | allow homeowners to have roof inspections performed
1160 | before requiring roof replacement; specifying the
1161 | manner of calculating the age of certain roofs;
1162 | providing applicability; amending s. 627.70131, F.S.;
1163 | requiring insurers to conduct physical inspections for
1164 | certain claims within a specified timeframe; requiring
1165 | property insurers to notify and provide certain
1166 | detailed estimates to policyholders; providing
1167 | construction; requiring property insurers to provide
1168 | reasonable explanations related to claims under
1169 | certain circumstances; amending s. 627.70152, F.S.;
1170 | making a technical change; authorizing property
1171 | insurers to be awarded attorney fees in certain suit

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1172 dismissals; providing that a strong presumption is
1173 created that a lodestar fee is sufficient and
1174 reasonable; providing that such presumption may be
1175 rebutted only under certain circumstances; amending s.
1176 627.7142, F.S.; conforming a cross-reference; amending
1177 s. 627.7152, F.S.; revising the definition of the term
1178 "assignment agreement"; deleting the definitions of
1179 the terms "disputed amount" and "judgment obtained";
1180 revising a requirement for assignment agreements;
1181 revising the requirement for assignees to indemnify
1182 and hold harmless assignors; specifying a timeframe
1183 during which and the addresses to which a notice of
1184 intent must be served; deleting certain limitations on
1185 the recovery and award of attorney fees in suits
1186 related to assignment agreements; creating s.
1187 627.7154, F.S.; creating a property insurer stability
1188 unit within the office for a specified purpose;
1189 specifying the duties of the unit; requiring the unit
1190 to provide a specified report biannually; specifying
1191 requirements for such report; specifying events that
1192 trigger referrals to the unit; requiring the unit's
1193 supervisors to review such referrals for a certain
1194 determination; requiring unit expenses be paid from a
1195 specified fund; requiring costs of examinations to be
1196 paid by examined persons in a specified circumstance;

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1197 amending s. 631.031, F.S.; requiring certain
1198 notifications by the office to the department of
1199 grounds for delinquency proceedings to include an
1200 affidavit; specifying contents of such affidavit;
1201 amending s. 631.398, F.S.; specifying duties of the
1202 department for insurer insolvency proceedings;
1203 amending s. 220.03, F.S.; revising the definition of
1204 the term "taxpayer"; defining terms; amending s.
1205 220.13, F.S.; revising the definition of the term
1206 "adjusted federal income" to prohibit specified
1207 deductions, to limit certain carryovers, and to
1208 require subtractions of certain dividends paid and
1209 received within a water's edge group for the purpose
1210 of determining subtractions from taxable income;
1211 conforming provisions to changes made by the act;
1212 repealing s. 220.131, F.S., relating to the adjusted
1213 federal income of affiliated groups; creating s.
1214 220.136, F.S.; specifying circumstances under which a
1215 corporation is presumed to be, deemed to be, or deemed
1216 not to be a member of a water's edge group; providing
1217 construction; defining the term "United States";
1218 creating s. 220.1363, F.S.; defining the term "water's
1219 edge reporting method"; specifying requirements for,
1220 limitations on, and prohibitions in calculating and
1221 reporting income in a water's edge group return;

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1222 requiring all members of a water's edge group to use
1223 the water's edge reporting method; defining the term
1224 "sale"; specifying requirements for designating the
1225 filing member and the taxable year of the water's edge
1226 group; specifying income reporting requirements for
1227 certain members of the water's edge group; requiring
1228 that a water's edge group return include a specified
1229 computational schedule and domestic disclosure
1230 spreadsheet; authorizing the Department of Revenue to
1231 adopt rules; providing legislative intent regarding
1232 the adoption of rules; amending s. 220.14, F.S.;
1233 revising the calculation for prorating a certain
1234 corporate income tax exemption to reflect leap years;
1235 conforming a provision to changes made by the act;
1236 amending ss. 220.15, 220.183, 220.1845, 220.1875,
1237 220.1876, 220.187, 220.191, 220.192, 220.193, 220.27,
1238 and 220.51, F.S.; conforming provisions to changes
1239 made by the act; amending s. 220.64, F.S.; providing
1240 applicability of water's edge group provisions to the
1241 franchise tax; conforming provisions to changes made
1242 by the act; amending ss. 288.1254 and 376.30781, F.S.;
1243 conforming provisions to changes made by the act;
1244 specifying, beginning on a specified date,
1245 requirements for corporate tax return filings for

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1246 | certain taxpayers; requiring that recaptured funds be
1247 | used for a certain purpose;

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