

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 7048

INTRODUCER: Appropriations Committee and Finance and Tax Committee

SUBJECT: Internal Revenue Code

DATE: March 3, 2026

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|-----------|---------------------------------------|
| | <u>Gross</u> | <u>Khan</u> | | FT Submitted as Comm. Bill/Fav |
| 1. | <u>Gross</u> | <u>Sadberry</u> | <u>AP</u> | Fav/CS |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 7048 updates Florida's corporate income tax code by adopting the federal Internal Revenue Code in effect on January 1, 2026, except for several specified sections.

House Concurrent Resolution 1, H.R.1, popularly known as the One Big Beautiful bill Act (OBBBA), amended the Internal Revenue Code and became law on July 4, 2026. A number of these changes will affect Florida's corporate income tax collections:

- Acceleration of depreciation of certain assets. (Bonus depreciation).
- Allowing immediate expensing for certain research and experimental expenditures.
- Increasing the deduction for business interest expenses.
- Increasing the amount of business meals eligible for deduction for certain employers.

The bill retains the current law treatment for the following issues by retaining an adoption of the Internal Revenue Code as of January 1, 2025:

- Provisions relating to bonus depreciation of assets.
- Provisions relating to amortization of certain research and experimental expenditures.
- Provisions relating to the deduction for interest paid by businesses.
- Provisions relating to deductions for certain business meals.

The bill does not adopt the following new sections created by federal law:

- Provisions related to a deduction for qualified production property, and
- Provisions related to a new deduction relating to domestic research and experimental expenditures.

The Revenue Estimating Conference (REC) determined that the bill would not affect revenue.

The bill takes effect upon becoming a law and operates retroactively to January 1, 2027.

II. Present Situation:

Annual Adoption of the Internal Revenue Code

Florida imposes a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.¹ The relationship between Florida and the Internal Revenue Code (IRC) is maintained each year by adopting the IRC as it exists on January 1. When expressly authorized by law, any amendment to the IRC shall be given effect under this code in such manner and for such periods as are prescribed in the IRC, to the same extent as if such amendment had been adopted by the Legislature.²

Addbacks, Subtractions, and Florida Taxable Income

Because Florida relies on federal taxable income to determine Florida taxable income, changes to the calculation of federal taxable income affects the calculation of Florida taxable income and may increase or decrease Florida tax receipts upon adoption of an updated Internal Revenue Code. In some instances, Florida has adopted an updated federal IRC but excluded specific changes.

To calculate Florida corporate income tax due, the federal taxable income is adjusted by applying specific addbacks and subtractions, apportioning and allocating certain income, and reducing the result by Florida's standard exemption (\$50,000). The addbacks and subtractions reflect federal provisions or treatments that the state has elected not to accept. Some items that are added back to the federal taxable income, pursuant to s. 220.13(1)(a), F.S., include federal deductions taken for interest,³ tax credits taken for research and development,⁴ and deductions taken for certain depreciation.⁵ Section 220.13(1)(b), F.S., provides for specific items to be subtracted from taxable income, including net operating losses,⁶ foreign source dividends,⁷ and foreign income.⁸

The One Big Beautiful Bill Act

House Concurrent Resolution 1, H.R.1, popularly known as the One Big Beautiful bill Act (OBBBA), "reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal

¹ Sections 220.11(2) and 220.63(2), F.S.

² Section 220.03(3), F.S.

³ Section 220.13(1)(a)(2), F.S.

⁴ Section 220.13(1)(a)(12), F.S.

⁵ Section 220.13 (1)(e), F.S.

⁶ Section 220.13(1)(b)(1), F.S.

⁷ Section 22013(1)(b)(2)(a), F.S.

⁸ Section 22013(1)(b)(2)(b), F.S.

government.”⁹ Since Florida does not levy a tax on the income of individuals, the effect of the OBBBA is limited corporations and entities subject to Florida’s corporate income tax.

The changes most significantly affecting the state’s revenues include the:

- Acceleration of depreciation of certain assets. (Bonus depreciation).
- Increasing first-year expensing for certain research and experimental expenditures.
- Increasing the deduction for business interest expenses.
- Increasing the amount of business meals eligible for deduction for certain employers.

Currently, the taxation of corporate income in Florida is consistent with the Internal Revenue Code as it existed on January 1, 2025, as modified by the state, which is before the OBBBA became law.¹⁰

Bonus Depreciation¹¹

Federal Law Change

Federal law allows as a depreciation deduction a reasonable allowance for the exhaustion, and wear and tear of property used in the trade or business or of property held for the production of income. For qualified property, federal law allows for the deduction to be accelerated.

Before the OBBBA became law, qualified property¹² was eligible for bonus depreciation if placed in service before 2027.

The OBBBA provides a 100% deduction for qualified property acquired after Jan. 19, 2025, and makes the accelerated deduction permanent, which differs from previously adopted bonus depreciation that lasted for an established period of time.

“Qualified property” under the OBBBA means, in part, property used in trade or business or held for the production of income which has a recovery period of 20 years or less; is computer software; water utility property; qualified film, television, or live theatrical production, or qualified sound recording production, in which the original use of the property begins with the taxpayer or if used property, it meets certain requirements.¹³

Effective date: This change applies to property acquired after January 19, 2025.

⁹ H.R.1 - 119th Congress (2025-2026): An act to provide for reconciliation pursuant to title II of H. Con. Res. 14, H.R.1, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/house-bill/1> (last visited Feb. 11, 2026).

¹⁰ Florida Department of Revenue, *Florida Corporate Income Tax Adoption of 2025 Internal Revenue Code*. Tax Information Publication Number 25C01-01, (Dec. 1, 2025), https://floridarevenue.com/taxes/tips/Documents/TIP_25C01-01.pdf (last visited Feb. 11, 2026).

¹¹ 26 U.S.C s. 168(k).

¹² 26 U.S.C s. 168(k) (2024).

¹³ 26 U.S.C s. 168(k)(2).

Depreciation for Qualified Production Property¹⁴

Federal Law Change

The OBBBA establishes a temporary 100% bonus depreciation allowance for qualified production property constructed after Jan. 19, 2025, and before Jan 1, 2029, and placed in service before Jan 1, 2031.

“Qualified production property” under the OBBBA means non-residential real property that is used by the taxpayer as an integral part of a qualified production activity. Such activity is the manufacturing, production, or refining of qualified products. “Production” is limited to agricultural and chemical production.¹⁵

A qualified product is any tangible personal property if such property is not a food or beverage prepared in the same building as a retail establishment in which such property is sold.

Qualified production property may not include that portion of any non-residential real property which is used for offices, administrative services, lodging, parking, sales activities, research activities, software development or engineering activities, or other functions unrelated to the manufacturing, production, or refining of tangible personal property.

Non-residential real property is not residential rental property or property with a class life of less than 27.5 years. Additionally, this type of property has a cost-recovery period of 39 years.

Effective date: This change is available for property constructed after January 19, 2025, and before January 1, 2029, and must be placed in service before January 1, 2031.

Section 179 Expensing¹⁶

Federal Law Change

A taxpayer may elect to treat the cost of any section 179 property as an expense which is not chargeable to capital account. Any cost so treated is allowed as a deduction for the taxable year in which the section 179 property is placed in service.¹⁷

Section 179 property is depreciable tangible property, certain computer software, or qualified real property used in the active conduct of a trade or business.¹⁸ Generally, this type of property is similar to property eligible for bonus depreciation and includes qualified improvement property.

The OBBBA increased the maximum amount that may be deducted for certain assets from \$1.25 million to \$2.5 million, increased by inflation annually. The amount by which the benefit begins to phase out is increased from \$3.13 million to \$4 million, increased by inflation annually. The costs greater than the minimum phase-out (\$4 million before inflation adjustment) directly

¹⁴ 26 U.S.C s. 168(n).

¹⁵ 26 U.S.C s. 168(n)(2).

¹⁶ 26 U.S.C s. 179.

¹⁷ 26 U.S.C s. 179(a).

¹⁸ 26 U.S.C s. 179(d).

reduce the maximum deduction dollar-for-dollar.¹⁹ Generally, this provision allows a taxpayer to expense (deduct) the cost of an asset rather than charge it to a capital account and amortize the cost over a given period of time.

Effective date: This change applies to property placed in service in taxable years beginning after December 31, 2024.

Research and Experimental Expenses²⁰

Federal Law Change

Generally, federal law allows as a deduction any domestic research or experimental (R&E) expenditures which are paid or incurred by the taxpayer during the taxable year.²¹

For domestic R&E expenditures, the OBBBA provides for the immediate deduction for such expenditures paid or incurred in taxable years beginning after Dec. 31, 2024. The TCJA removed the immediate deduction for expenditures paid or incurred in taxable years beginning after Dec. 31, 2021. Alternatively, a taxpayer may continue to elect to capitalize and amortize over at least 60 months.²²

A taxpayer with limited gross receipts may deduct domestic R&E expenses retroactively to tax years beginning after Dec. 31, 2021.²³

A taxpayer may also accelerate amortization attributable to domestic R&E expenses paid or incurred after Dec. 31, 2021, but before Jan 1, 2025.²⁴

Effective date: Except for retroactivity, these amendments apply to amounts paid or incurred in taxable years beginning after December 31, 2024.

Business Interest Deduction²⁵

Federal Law Change

Generally, federal law allows as a deduction all interest paid or accrued within the taxable year on indebtedness, with prescribed limitations.²⁶

The OBBBA:

- Changes the definition of adjusted taxable income to be 30% of EBITDA (earnings before interest, taxes, depreciation, and amortization) rather than 30% of EBIT (earnings before interest and taxes) for purposes of determining how much business interest may be expensed in a given taxable year. EBITDA is greater than EBIT.

¹⁹ 26 U.S.C s. 179(b).

²⁰ 26 U.S.C s. 174A.

²¹ 26 U.S.C s. 174A(a).

²² 26 U.S.C s. 174A(c)(1).

²³ Pub. L. 119–21, s. 70302(f).

²⁴ Pub. L. 119–21, s. 70302(f).

²⁵ IRC section 163.

²⁶ IRC section 163(j).

- Expands the exclusion of interest on floor plan financing from the limit on the tax deduction for business interest expense to include interest on floor plan financing for campers and trailers. Floor plan financing means interest paid or accrued on floor plan financing indebtedness. Floor plan financing indebtedness means indebtedness used to finance the acquisition of motor vehicles for sale or lease and secured by the inventory acquired.²⁷
- Changes Floor plan financing to cover trailers or campers that provide temporary living quarters for recreation, camping, or seasonal use. These types of vehicles are designed to be towed or affixed to a motor vehicle.

In addition to those changes above, the bill also provides that the limitation is calculated before capitalizable interest is calculated. Foreign income, including the new net controlled foreign corporation tested income (previously GILTI) calculation for foreign taxable income is excluded.

Effective date: This change applies to taxable years beginning after December 31, 2024.

Business Meals

Federal Law Change

Generally, deductions for food or beverage expenses may not exceed 50 percent of the amount of the expense and the food or beverage expense may not be lavish or extravagant.²⁸

The OBBBA adds two exceptions from limits on the amount allowed to be deducted for food or beverage expenses:

- The expense is for food or beverage for employees of certain fishing processing facilities in Alaska that are not located in a metropolitan area. This is a new exception and allows for a full deduction.
- Employer provided meals:
 - Costs associated with providing food or beverages to employees through an eating facility operated by the employer for employees that meets de minimis requirements for fringe benefits (snacks, coffee, etc.).
 - Meals provided by the employer for the convenience of the employer on the employer's premises to employees and their spouses and dependents.

The TCJA would have made employer provided meal expenditures non-deductible beginning after December 31, 2025. Instead, a taxpayer may be eligible for a deduction of those costs if the taxpayer charges an adequate or full consideration or meets other exceptions.²⁹

Effective date: This change applies to amounts paid or incurred after December 31, 2025.

Other States Respond to Passage of OBBBA

A number of states have responded to the passage of the OBBBA by choosing not to conform to provisions in the Act. "States have selectively decoupled from numerous HR 1 provisions, most

²⁷ IRC section 163(j)(9).

²⁸ Section 1.274-12, Code of Federal Regulations.

²⁹ 26 U.S.C. s. 274(n)(2)(C).

often focusing on corporate tax deductions, which often have a large-scale revenue impact. These changes typically either revert to the pre-HR 1 landscape or find a balance somewhere in the middle of previous and new deductions.”³⁰ States such as Alabama, California, Delaware, Maine, and Pennsylvania and the District of Columbia decoupled from one or more provisions in the Act, including research and experimental expensing, bonus depreciation for qualified property and qualified production property, and changes made to the business interest deduction.³¹

Florida Laws Recognizing Changes to the Internal Revenue Code

The Tax Cuts and Jobs Act of 2017

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (TCJA) was signed into law. The TCJA made significant changes to federal income tax provisions related to individuals, corporations, and the treatment of foreign income.

Business Tax Reforms

The TCJA’s changes to corporate taxes generally:

- Reduced the federal income tax rate on corporate income.
- Significantly increased the first-year deductions related to equipment purchases (bonus depreciation).
- Beginning January 1, 2022, required deductions for research and experimental expenses to be deducted over five years for domestic research expenses or fifteen years for foreign research expenses.
- Repealed or curtailed certain tax credits and deductions.

Under the TCJA, and through 2023, taxpayers were allowed to deduct in the first-year 100 percent of qualifying purchases. This percentage was then phased down to 80 percent, 60 percent, 40 percent, and 20 percent, over the next four years, respectively. No bonus depreciation would have been granted after 2027.

International Tax Reforms

The U.S. has historically deferred taxation of foreign-source income until the income was repatriated to the U.S. The TCJA aimed to largely eliminate this deferral for corporations.

The TCJA’s foreign income changes generally:

- Required taxation of foreign-source income.
- Provided deductions for certain dividends from foreign corporations.
- Provided temporary, partial credits for certain foreign income to reduce the near-term taxation of that income.

³⁰ National Conference of State Legislatures, *Breaking Up Is Hard to Do: States Struggle to Conform to Tax Code Changes*, Jan. 19, 2026, https://www.ncsl.org/fiscal/2025-tax-conformity-changes?utm_source=act-on+software&utm_term=states (last visited Feb. 20, 2026).

³¹ *Id.*

Recognizing that changes made to the IRC by the TCJA would significantly affect Florida's corporate income tax, Florida enacted a law composed of the following:³²

- **Adoption of the IRC** in effect on January 1, 2018.
- **Creation of an automatic refund and rate adjustment mechanism.** The tax rate was adjusted downward for taxable years beginning on or after January 1, 2019, based on the amount of collections exceeding 107 percent of the FY 2018-2019 collections. The rate adjustment was created to last only 1 taxable year. Additionally, the amount of collections exceeding the forecasted collections for FY 2018-20219 were refunded to taxpayers.
- **Decouple from bonus depreciation.** A taxpayer was required to 'add-back' the amount of bonus depreciation deducted on its federal income tax return and instead use a 7-year straight-line depreciation schedule in Florida. This methodology applies to property placed in service after December 31, 2017, and before January 1, 2027, covering the time horizon of the federal bonus depreciation schedule.
- **Require the Department of Revenue to examine how the TCJA affected the state's corporate income tax** as a result of the state's adoption of the Internal Revenue Code. A report from the Department to the Governor, President of the Senate, Speaker of the House, and chairs of appropriate legislative committees was due February 1, 2019. Additionally, status reports to the chairs of committees were due August 3, 2018, and November 16, 2018.

The 2019 Legislature amended Florida's corporate income tax laws to address the ongoing effects from the TCJA.³³ Florida enacted a law composed of the following:

- **Adoption the IRC** in effect on January 1, 2019.
- **Extension of the rate adjustment mechanism** to apply for taxable years beginning January 1, 2020, and January 1, 2021.
- **Extension of the number of years in which refunds may be issued** to include excess amounts collected in FY 2019-2020 and 2020-2021.
- **Decouple from GILTI:** Global Intangible Low-Taxed Income. In general, this was a mechanism to account for and subject to tax certain profits of US controlled foreign corporations.³⁴
- **Require taxpayers submit to the Department of Revenue an informational return.** The return asked for information related to business specifics about credits, deductions, and base adjustment caused by the federal tax changes.

As a result of the aforementioned Florida law changes, the tax rate was reduced from 5.5 percent to 4.458 percent for taxable years beginning January 1, 2019, and down to 3.535 percent for taxable years beginning January 1, 2021.³⁵ The rate returned to 5.5 percent for taxable years beginning January 1, 2022. Reducing the corporate income tax rate lowered collections by an estimated \$2,651.8 million between Fiscal Years 2019-20 through 2024-2025.

³² Chapter 2018-119, Laws of Fla.

³³ Ch. 2019-168, Laws of Fla.

³⁴ A discussion on GILTI may be found in the bill analysis for CS/CS/SB 576 by the Senate Committee on Finance and Tax (Apr. 22, 2019), available at <https://flsenate.gov/Session/Bill/2019/576/Analyses/2019s00576.ap.PDF> (last visited Feb. 11, 2026).

³⁵ Florida Department of Revenue, Tax Information Publication, *Florida Corporate Income Tax 2021 Tax Rate Reduction*, Sept. 15, 2021, available at https://floridarevenue.com/taxes/tips/Documents/TIP_21C01-02.pdf (last visited Feb. 11, 2026).

Refunds issued by the Department of Revenue equaled \$531.0 million in Fiscal Year 2019-2020 and \$642.1 million for Fiscal Year 2021-2022.³⁶

CARES Act and the Consolidated Appropriations Act of 2021

On March 27, 2020, the CARES Act was signed into law. It provided emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic³⁷ making a number of changes to the IRC, including temporarily relaxing some restrictions on tax deductions which were imposed by the TCJA.³⁸

The Act:

- Temporarily increased the allowable deduction for business interest expenses, from 30 percent to 50 percent of a corporation's adjusted taxable income, for 2019 and 2020.³⁹
- Retroactively amended IRC provisions first enacted in the TCJA⁴⁰ that required certain qualified improvement property costs to be depreciated over 39 years instead of 15 years.⁴¹
- Temporarily increased net operating loss (NOL) provisions, allowing net operating losses created in 2018 through 2020 to offset 100 percent of income if used in taxable years beginning before January 1, 2021, (instead of 80 percent), and allowing those NOLs to be carried back five years from the year of creation.⁴²
- Temporarily increased the allowable charitable deduction from 10 percent to 25 percent of a corporate taxpayer's taxable income for 2020.

On December 27, 2020, the Consolidated Appropriations Act of 2021 (CAA) was signed into law.⁴³ The annual appropriations act set forth the budget for the federal government but also included additional tax relief provisions for individuals and businesses. Some of the changes in the CAA included a temporary increase in the deduction for business meal expenses, an extension of expensing provisions for certain film, television, and live performances, as well as an extension through 2021 for the increased charitable deduction found in the CARES Act.

Recognizing that changes made to the IRC by these Acts would affect Florida's corporate income tax, Florida enacted a law composed of the following:⁴⁴

- **Adoption of the IRC** in effect on January 1, 2021.
- **Decouple from** the increased amount that may be deducted as business interest expense.
- **Decouple from** the increased amount that may be deducted for business meals.
- **Decouple from** a provision that altered the depreciable life of certain qualified improvement property.

³⁶ Office of Economic and Demographic Research, *General Revenue Consensus Estimating Conference Comparison Report*, Table 16, Jan. 23, 2026, available at <https://edr.state.fl.us/Content/conferences/generalrevenue/grpackage.pdf> (last visited Feb. 11, 2026).

³⁷ Pub. L. No. 116-136 (2020).

³⁸ Pub. L. No. 115-97 (2017).

³⁹ Section 2306, Pub. Law No. 116-136 (2021). This provision also allows the 2020 50 percent limitation to be calculated based on 2019 income, which may allow for a larger deduction than would otherwise have been available.

⁴⁰ Section 13204, Pub. L. No. 115-97.

⁴¹ Section 2307, Pub. L. No. 116-136.

⁴² Section 2303, Pub. L. No. 116-136.

⁴³ Pub. L. No. 116-260 (2020).

⁴⁴ Chapter 2021-242, Laws of Fla.

- **Decouple from** expensing provision extensions for film, television, and live theatrical productions.

III. **Effect of Proposed Changes:**

The bill updates Florida's corporate income tax code by adopting the Internal Revenue Code as amended and in effect on January 1, 2026, except for several specified sections.

The amendment retains the current law treatment of the following issues by retaining an adoption of the Internal Revenue Code as of January 1, 2025, for the following sections:

- Section 168(k), relating to bonus depreciation of assets.
- Section 174(a), relating to amortization of certain research and experimental expenditures.
- Section 163(j), relating to the deduction for interest paid by businesses.
- Section 274, relating to deductions for certain business meals.
- Section 179, relating to deductions made by certain small businesses.

The amendment does not adopt the following new sections created by federal law:

- Section 168(n), related to a deduction for qualified production property.
- Section 174A, a new deduction relating to domestic research and experimental expenditures.

The bill authorizes the Department of Revenue to adopt rules to administer the act. It also provides the authority for the department to adopt emergency rules to implement the act, effective for 6 months. They may be renewed during the pendency of procedures to adopt permanent rules.

The bill takes effect upon becoming a law and operates retroactively to January 1, 2026.

IV. **Constitutional Issues:**

A. **Municipality/County Mandates Restrictions:**

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds or that limit their ability to raise revenue or receive state tax revenues.

The mandates provisions do not apply because the bill does not require counties or municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

B. **Public Records/Open Meetings Issues:**

None.

C. **Trust Funds Restrictions:**

None.

D. State Tax or Fee Increases:

Article VII, s. 19 of the Florida Constitution requires legislation pass each chamber by a 2/3 vote and be contained in a separate bill with no other subject if the legislation imposes, authorizes an imposition, increases, or authorizes an increase in a state tax or fee or if it decreases or eliminates a state tax or fee exemption or credit.

The bill does not affect the imposition or increasing of a state tax or fee nor decreases or eliminates a state tax or fee exemption or credit. Thus, the constitutional requirements may not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference (REC) determined that the bill will not affect revenue.⁴⁵

B. Private Sector Impact:

The bill would allow taxpayers to generally use the same calculations to determine both their federal and state taxable income, except for the modified calculations that would be required for certain depreciable assets and expenses.

C. Government Sector Impact:

The Department of Revenue may adopt rules necessary to administer this act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 220.03 and 220.13.

⁴⁵ The Office of Economic and Demographic Research, Revenue Estimating Impact Conference, *Corporate Income Tax, Piggyback Full Decouple, HB 7031*, Feb. 27, 2026.
<https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2026/pdf/page420.pdf> (last visited March 1, 2026).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on March 2, 2026:

The committee substitute updates Florida's corporate income tax code by adopting the Internal Revenue Code as amended and in effect on January 1, 2026, except for several specified sections.

The amendment retains the current law treatment of the following issues by retaining an adoption of the Internal Revenue Code as of January 1, 2025, for the following sections:

- Section 168(k), relating to bonus depreciation of assets,
- Section 174(a), relating to amortization of certain research and experimental expenditures,
- Section 163(j), relating to the deduction for interest paid by businesses,
- Section 274, relating to deductions for certain business meals, and
- Section 179, relating to deductions made by certain small businesses.

The amendment does not adopt the following new sections created by federal law:

- Section 168(n), related to a deduction for qualified production property, and
- Section 174A, a new deduction relating to domestic research and experimental expenditures.

- B. **Amendments:**

None.