

By the Committee on Finance and Tax

593-03230-26

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1 A bill to be entitled
2 An act relating to the Internal Revenue Code; amending
3 s. 220.03, F.S.; revising the date of adoption of the
4 Internal Revenue Code and other federal income tax
5 statutes for purposes of the state corporate income
6 tax; prohibiting retroactivity of certain Internal
7 Revenue Code amendments; specifying that a limitation,
8 a deduction, an expense, or an amortization may only
9 affect the computation of certain taxable income
10 beginning after a specified date; providing an
11 exception; specifying that certain provisions of the
12 Internal Revenue Code are disregarded for certain
13 taxable years; requiring taxpayers to add to and
14 deduct from taxable income in a specified manner;
15 amending s. 220.13, F.S.; revising adjustments
16 taxpayers must make to adjusted federal income with
17 respect to certain tax benefits; authorizing the
18 Department of Revenue to adopt rules; providing
19 retroactive operation; authorizing the department to
20 adopt emergency rules; providing that such emergency
21 rules are effective for a specified period of time;
22 providing that such emergency rules may be renewed
23 under certain circumstances; providing an expiration
24 date; providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:
27

28 Section 1. Paragraph (n) of subsection (1) and paragraph
29 (c) of subsection (2) of section 220.03, Florida Statutes, are

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30 amended, and subsection (6) is added to that section, to read:

31 220.03 Definitions.—

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

36 (n) "Internal Revenue Code" means the United States
37 Internal Revenue Code of 1986, as amended and in effect on
38 January 1, 2026 ~~2025~~, except as provided in subsection (3).

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

42 (c) Any term used in this code has the same meaning as when
43 used in a comparable context in the Internal Revenue Code and
44 other statutes of the United States relating to federal income
45 taxes, as such code and statutes are in effect on January 1,
46 2026 ~~2025~~. However, if subsection (3) is implemented, the
47 meaning of a term shall be taken at the time the term is applied
48 under this code.

49 (6) COMPUTATION OF TAXABLE INCOME.—Notwithstanding any
50 other provision of this code, amendments to the Internal Revenue
51 Code of 1986, as amended by Pub. L. No. 119-21, which affect the
52 computation of taxable income for taxable years beginning before
53 January 1, 2026, may not be given effect under this code
54 retroactively to such effective date. A limitation, a deduction,
55 an expense, or an amortization may only affect the computation
56 of taxable income for taxable years beginning on or after
57 January 1, 2026, except as provided in this chapter. The
58 amendment to the Internal Revenue Code made by s. 70301 of Pub.

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59 L. No. 119-21 is disregarded for taxable years beginning before
60 January 1, 2027, and a taxpayer must add to and deduct from
61 taxable income those amounts deducted for federal income tax
62 purposes as bonus depreciation in a manner consistent with s.
63 220.13(1)(e) and the Internal Revenue Code of 1986, as amended
64 by s. 13201 of Pub. L. No. 115-97.

65 Section 2. Paragraph (e) of subsection (1) of section
66 220.13, Florida Statutes, is amended to read:

67 220.13 "Adjusted federal income" defined.—

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

73 (e) *Adjustments related to federal acts.*—Taxpayers shall be
74 required to make the adjustments prescribed in this paragraph
75 for Florida tax purposes with respect to certain tax benefits
76 received pursuant to the Economic Stimulus Act of 2008; the
77 American Recovery and Reinvestment Act of 2009; the Small
78 Business Jobs Act of 2010; the Tax Relief, Unemployment
79 Insurance Reauthorization, and Job Creation Act of 2010; the
80 American Taxpayer Relief Act of 2012; the Tax Increase
81 Prevention Act of 2014; the Consolidated Appropriations Act,
82 2016; the Tax Cuts and Jobs Act of 2017; ~~and~~ the Coronavirus
83 Aid, Relief, and Economic Security Act of 2020; and the One Big
84 Beautiful Bill Act of 2025.

85 1.a. There shall be added to such taxable income an amount
86 equal to 100 percent of any amount deducted for federal income
87 tax purposes as bonus depreciation for the taxable year pursuant

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88 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
89 amended by s. 103 of Pub. L. No. 110-185; s. 1201 of Pub. L. No.
90 111-5; s. 2022 of Pub. L. No. 111-240; s. 401 of Pub. L. No.
91 111-312; s. 331 of Pub. L. No. 112-240; s. 125 of Pub. L. No.
92 113-295; s. 143 of Division Q of Pub. L. No. 114-113; and s.
93 13201 of Pub. L. No. 115-97, for property placed in service
94 after December 31, 2007, and before January 1, 2027.

95 b. For the taxable year and for each of the 6 subsequent
96 taxable years, there shall be subtracted from such taxable
97 income an amount equal to one-seventh of the amount by which
98 taxable income was increased pursuant to this subparagraph,
99 notwithstanding any sale or other disposition of the property
100 that is the subject of the adjustments and regardless of whether
101 such property remains in service in the hands of the taxpayer.

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

108 2. There shall be added to such taxable income an amount
109 equal to 100 percent of any amount in excess of \$128,000
110 deducted for federal income tax purposes for the taxable year
111 pursuant to s. 179 of the Internal Revenue Code of 1986, as
112 amended by s. 102 of Pub. L. No. 110-185; s. 1202 of Pub. L. No.
113 111-5; s. 2021 of Pub. L. No. 111-240; s. 402 of Pub. L. No.
114 111-312; s. 315 of Pub. L. No. 112-240; and s. 127 of Pub. L.
115 No. 113-295, for taxable years beginning after December 31,
116 2007, and before January 1, 2015. For the taxable year and for

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117 each of the 6 subsequent taxable years, there shall be
118 subtracted from such taxable income one-seventh of the amount by
119 which taxable income was increased pursuant to this
120 subparagraph, notwithstanding any sale or other disposition of
121 the property that is the subject of the adjustments and
122 regardless of whether such property remains in service in the
123 hands of the taxpayer.

124 3. There shall be added to such taxable income an amount
125 equal to the amount of deferred income not included in such
126 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
127 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
128 shall be subtracted from such taxable income an amount equal to
129 the amount of deferred income included in such taxable income
130 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
131 as amended by s. 1231 of Pub. L. No. 111-5.

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

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

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

144
145 Any expense added back pursuant to this subparagraph shall be

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146 treated as a disallowed business expense carryforward from prior
147 years for the year or years following the addition, until such
148 time as the expense has been used.

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

153 a. There shall be added to such taxable income an amount
154 equal to 100 percent of any amount deducted for federal income
155 tax purposes under s. 167(a) of the Internal Revenue Code of
156 1986. There shall be subtracted an amount equal to the amount of
157 depreciation that would have been deductible pursuant to s.
158 167(a) of the Internal Revenue Code of 1986 in effect on January
159 1, 2020 and without regard to s. 2307 of Pub. L. No. 116-136,
160 notwithstanding any sale or other disposition of the property
161 that is the subject of the adjustments and regardless of whether
162 such property remains in service in the hands of the taxpayer.

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

168 6. For taxable years beginning after December 31, 2020, and
169 before January 1, 2026, the changes made to the Internal Revenue
170 Code by Pub. L. No. 116-260, Division EE, Title I, s. 116 and
171 Title II, s. 210 shall not apply to this chapter. Taxable income
172 under this section shall be calculated as though changes made by
173 those sections were not made to the Internal Revenue Code. The
174 Department of Revenue may adopt rules necessary to administer

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175 the provisions of this subparagraph, including rules, forms, and
176 guidelines for treatment of expenses and depreciation related to
177 these changes.

178 7.a. For taxable years beginning on and after January 1,
179 2027, there shall be added to taxable income an amount equal to
180 100 percent of any amount deducted for the taxable year as bonus
181 depreciation pursuant to s. 70301 of Pub. L. No. 119-21 for
182 qualified property as defined in s. 168(k)(2) of the Internal
183 Revenue Code of 1986.

184 b. For the taxable year and for each of the 6 subsequent
185 taxable years, there shall be subtracted from such taxable
186 income an amount equal to one-seventh of the amount by which
187 taxable income was increased pursuant to this subparagraph,
188 notwithstanding any sale or other disposition of the property
189 that is the subject of the adjustments and regardless of whether
190 such property remains in service in the hands of the taxpayer.

191 c. The department may adopt rules necessary to administer
192 this subparagraph, including rules, forms, and guidelines for
193 computing depreciation on property defined in this subparagraph.

194 8.a. For taxable years beginning on and after January 1,
195 2026, there shall be added to taxable income an amount equal to
196 100 percent of any amount deducted for the taxable year as bonus
197 depreciation pursuant to s. 70307 of Pub. L. No. 119-21 for
198 qualified production property as defined in s. 168(n)(2) of the
199 Internal Revenue Code of 1986.

200 b. For the taxable year and for each of the 6 subsequent
201 taxable years, there shall be subtracted from such taxable
202 income an amount equal to one-seventh of the amount by which
203 taxable income was increased pursuant to this subparagraph,

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204 notwithstanding any sale or other disposition of the property
205 that is the subject of the adjustments and regardless of whether
206 such property remains in service in the hands of the taxpayer.

207 c. The department may adopt rules necessary to administer
208 this subparagraph, including rules, forms, and guidelines for
209 computing depreciation on property defined in this subparagraph.

210 9. For taxable years beginning on and after January 1,
211 2026, the changes made to the Internal Revenue Code to s. 174
212 and the creation of s. 174A of the Internal Revenue Code by s.
213 70302 of Pub. L. No. 119-21 do not apply to this chapter.

214 a. For taxable years beginning on and after January 1,
215 2026, there shall be added to taxable income an amount equal to
216 100 percent of any amount deducted for s. 174 or s. 174A of the
217 Internal revenue Code.

218 b. There shall be subtracted from such taxable income an
219 amount that would have been deductible pursuant to s. 174 of the
220 Internal Revenue Code of 1986 had the amendments made to s. 174
221 and the creation of s. 174A of the Internal Revenue Code by s.
222 70302 of Pub. L. No. 119-21 not taken effect.

223 c. The department may adopt rules necessary to administer
224 this subparagraph, including rules, forms, and guidelines for
225 computing the deduction related to these changes.

226 10.a. For taxable years beginning on and after January 1,
227 2026, there shall be added to such taxable income an amount
228 equal to 100 percent of any amount deducted for federal income
229 tax purposes pursuant to s. 179 of the Internal Revenue Code of
230 1986, as amended by s. 70306 of Pub. L. No. 119-21.

231 b. For the taxable year and for each of the 6 subsequent
232 taxable years, there shall be subtracted from such taxable

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233 income one-seventh of the amount by which taxable income was
234 increased pursuant to this subparagraph, notwithstanding any
235 sale or other disposition of the property that is the subject of
236 the adjustments and regardless of whether such property remains
237 in service in the hands of the taxpayer.

238 c. The department may adopt rules necessary to administer
239 this subparagraph, including rules, forms, and guidelines for
240 computing depreciation as provided in this subparagraph.

241 11.a. For taxable years beginning on and after January 1,
242 2026, there shall be added to such taxable income an amount
243 equal to 100 percent of any amount deducted for federal income
244 tax purposes pursuant to s. 274 of the Internal Revenue Code as
245 amended by s. 70305 of Pub. L. No. 119-21.

246 b. There shall be subtracted from such taxable income an
247 amount that would have been deductible pursuant to s. 274 of the
248 Internal Revenue Code of 1986 had the amendments by Pub. L. No.
249 119-21 to s. 274 of the Internal Revenue Code not taken effect.

250 c. The department may adopt rules necessary to administer
251 this subparagraph, including rules, forms, and guidelines for
252 computing the deduction as provided in this subparagraph.

253 12.a. For taxable years beginning on and after January 1,
254 2026, there shall be added to such taxable income an amount
255 equal to 100 percent of any amount deducted for federal income
256 tax purposes pursuant to s. 163 of the Internal Revenue Code as
257 amended by s. 70303, s. 70341, and s. 70342 of Pub. L. No. 119-
258 21.

259 b. There shall be subtracted from such taxable income an
260 amount that would have been deductible pursuant to s. 163 of the
261 Internal Revenue Code of 1986 had the amendments by Pub. L. No.

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262 119-21 to s. 163 of the Internal Revenue Code not taken effect.

263 c. The department may adopt rules necessary to administer
264 this subparagraph, including rules, forms, and guidelines for
265 computing the deduction as provided in this subparagraph.

266 13.7. Subtractions available under this paragraph may be
267 transferred to the surviving or acquiring entity following a
268 merger or acquisition and used in the same manner and with the
269 same limitations as specified by this paragraph.

270 14.8. The additions and subtractions specified in this
271 paragraph are intended to adjust taxable income for Florida tax
272 purposes, and, notwithstanding any other provision of this code,
273 such additions and subtractions shall be permitted to change a
274 taxpayer's net operating loss for Florida tax purposes.

275 Section 3. The amendments made by this act to ss. 220.03
276 and 220.13, Florida Statutes, operate retroactively to January
277 1, 2026.

278 Section 4. (1) The Department of Revenue is authorized,
279 and all conditions are deemed met, to adopt emergency rules
280 under s. 120.54(4), Florida Statutes, for the purpose of
281 administering this act. Notwithstanding any other law, emergency
282 rules adopted under this section are effective for 6 months
283 after adoption and may be renewed during the pendency of
284 procedures to adopt permanent rules addressing the subject of
285 the emergency rules.

286 (2) This section expires July 1, 2027.

287 Section 5. This act shall take effect upon becoming a law.