

**FOR CONSIDERATION By** the Committee on Finance and Tax

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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.