

1 A bill to be entitled
2 An act relating to ; providing an effective date.

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4 Be It Enacted by the Legislature of the State of Florida:

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6 Section 1. Effective upon becoming a law and operating
7 retroactively to January 1, 2023, paragraph (e) of subsection
8 (1) of section 220.13, Florida Statutes, is amended to read:

9 220.13 "Adjusted federal income" defined.—

10 (1) The term "adjusted federal income" means an amount
11 equal to the taxpayer's taxable income as defined in subsection
12 (2), or such taxable income of more than one taxpayer as
13 provided in s. 220.131, for the taxable year, adjusted as
14 follows:

15 (e) *Adjustments related to federal acts.*—Taxpayers shall be
16 required to make the adjustments prescribed in this paragraph
17 for Florida tax purposes with respect to certain tax benefits
18 received pursuant to the Economic Stimulus Act of 2008; the
19 American Recovery and Reinvestment Act of 2009; the Small
20 Business Jobs Act of 2010; the Tax Relief, Unemployment
21 Insurance Reauthorization, and Job Creation Act of 2010; the
22 American Taxpayer Relief Act of 2012; the Tax Increase
23 Prevention Act of 2014; the Consolidated Appropriations Act,
24 2016; the Tax Cuts and Jobs Act of 2017; and the Coronavirus
25 Aid, Relief, and Economic Security Act of 2020.

26 1.a. There shall be added to such taxable income an amount
27 equal to 100 percent of any amount deducted for federal income
28 tax purposes as bonus depreciation for the taxable year pursuant
29 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as

30 amended by s. 103 of Pub. L. No. 110-185; s. 1201 of Pub. L. No.
31 111-5; s. 2022 of Pub. L. No. 111-240; s. 401 of Pub. L. No.
32 111-312; s. 331 of Pub. L. No. 112-240; s. 125 of Pub. L. No.
33 113-295; s. 143 of Division Q of Pub. L. No. 114-113; and s.
34 13201 of Pub. L. No. 115-97, for property placed in service
35 after December 31, 2007, and before January 1, 2027.

36 b. For the taxable year and for each of the 6 subsequent
37 taxable years, there shall be subtracted from such taxable
38 income an amount equal to one-seventh of the amount by which
39 taxable income was increased pursuant to this subparagraph,
40 notwithstanding any sale or other disposition of the property
41 that is the subject of the adjustments and regardless of whether
42 such property remains in service in the hands of the taxpayer.

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

49 2. There shall be added to such taxable income an amount
50 equal to 100 percent of any amount in excess of \$128,000
51 deducted for federal income tax purposes for the taxable year
52 pursuant to s. 179 of the Internal Revenue Code of 1986, as
53 amended by s. 102 of Pub. L. No. 110-185; s. 1202 of Pub. L. No.
54 111-5; s. 2021 of Pub. L. No. 111-240; s. 402 of Pub. L. No.
55 111-312; s. 315 of Pub. L. No. 112-240; and s. 127 of Pub. L.
56 No. 113-295, for taxable years beginning after December 31,
57 2007, and before January 1, 2015. For the taxable year and for
58 each of the 6 subsequent taxable years, there shall be

59 subtracted from such taxable income one-seventh of the amount by
60 which taxable income was increased pursuant to this
61 subparagraph, notwithstanding any sale or other disposition of
62 the property that is the subject of the adjustments and
63 regardless of whether such property remains in service in the
64 hands of the taxpayer.

65 3. There shall be added to such taxable income an amount
66 equal to the amount of deferred income not included in such
67 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
68 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
69 shall be subtracted from such taxable income an amount equal to
70 the amount of deferred income included in such taxable income
71 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
72 as amended by s. 1231 of Pub. L. No. 111-5.

73 4. For taxable years beginning on or after January 1, 2023,
74 there shall be added to such taxable income an amount equal to
75 the amount of business interest taken as a deduction for federal
76 tax purposes subject to the limitation provided in s. 163(j) of
77 the Internal Revenue Code. There shall be subtracted from such
78 taxable income the amount of business interest paid or accrued
79 within the taxable year which would have been deductible at the
80 federal level consistent with s. 163 of the Internal Revenue
81 Code as it existed and applied immediately before the enactment
82 of the Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97 ~~For~~
83 ~~taxable years beginning after December 31, 2018, and before~~
84 ~~January 1, 2021, there shall be added to such taxable income an~~
85 ~~amount equal to the excess, if any, of:~~

86 a. ~~One hundred percent of any amount deducted for federal~~
87 ~~income tax purposes as business interest expense for the taxable~~

88 ~~year pursuant to s. 163(j) of the Internal Revenue Code of 1986,~~
89 ~~as amended by s. 2306 of Pub. L. No. 116-136; over~~

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

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96 ~~Any expense added back pursuant to this subparagraph shall be~~
97 ~~treated as a disallowed business expense carryforward from prior~~
98 ~~years for the year or years following the addition, until such~~
99 ~~time as the expense has been used.~~

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

104 a. There shall be added to such taxable income an amount
105 equal to 100 percent of any amount deducted for federal income
106 tax purposes under s. 167(a) of the Internal Revenue Code of
107 1986. There shall be subtracted an amount equal to the amount of
108 depreciation that would have been deductible pursuant to s.
109 167(a) of the Internal Revenue Code of 1986 in effect on January
110 1, 2020 and without regard to s. 2307 of Pub. L. No. 116-136,
111 notwithstanding any sale or other disposition of the property
112 that is the subject of the adjustments and regardless of whether
113 such property remains in service in the hands of the taxpayer.

114 b. The department may adopt rules necessary to administer
115 the provisions of this subparagraph, including rules, forms, and
116 guidelines for computing depreciation on qualified improvement

117 property, as defined in s. 168(e)(6) of the Internal Revenue
118 Code of 1986.

119 6. For taxable years beginning after December 31, 2020, and
120 before January 1, 2026, the changes made to the Internal Revenue
121 Code by Pub. L. No. 116-260, Division EE, Title I, s. 116 and
122 Title II, s. 210 shall not apply to this chapter. Taxable income
123 under this section shall be calculated as though changes made by
124 those sections were not made to the Internal Revenue Code. The
125 Department of Revenue may adopt rules necessary to administer
126 the provisions of this subparagraph, including rules, forms, and
127 guidelines for treatment of expenses and depreciation related to
128 these changes.

129 7. Subtractions available under this paragraph may be
130 transferred to the surviving or acquiring entity following a
131 merger or acquisition and used in the same manner and with the
132 same limitations as specified by this paragraph.

133 8. The additions and subtractions specified in this
134 paragraph are intended to adjust taxable income for Florida tax
135 purposes, and, notwithstanding any other provision of this code,
136 such additions and subtractions shall be permitted to change a
137 taxpayer's net operating loss for Florida tax purposes.

138 Section 2. Except as otherwise expressly provided in this
139 act, this act shall take effect upon becoming a law.