

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 2256 and 2257, insert:

5 Section 25. 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 26. 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 is added to taxable income in a previous  
80 taxable year under subparagraph 11. and is taken as a deduction  
81 for federal tax purposes in the current taxable year, the amount  
82 of the deduction allowed shall not be added to taxable income in  
83 the current year. The exception in this sub-subparagraph is  
84 intended to ensure that the credit under s. 220.1875 is added in  
85 the applicable taxable year and does not result in a duplicate

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86 addition in a subsequent year.

87 2. The amount of interest which is excluded from taxable  
88 income under s. 103(a) of the Internal Revenue Code or any other  
89 federal law, less the associated expenses disallowed in the  
90 computation of taxable income under s. 265 of the Internal  
91 Revenue Code or any other law, excluding 60 percent of any  
92 amounts included in alternative minimum taxable income, as  
93 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
94 taxpayer pays tax under s. 220.11(3).

95 3. In the case of a regulated investment company or real  
96 estate investment trust, an amount equal to the excess of the  
97 net long-term capital gain for the taxable year over the amount  
98 of the capital gain dividends attributable to the taxable year.

99 4. That portion of the wages or salaries paid or incurred  
100 for the taxable year which is equal to the amount of the credit  
101 allowable for the taxable year under s. 220.181. This  
102 subparagraph shall expire on the date specified in s. 290.016  
103 for the expiration of the Florida Enterprise Zone Act.

104 5. That portion of the ad valorem school taxes paid or  
105 incurred for the taxable year which is equal to the amount of  
106 the credit allowable for the taxable year under s. 220.182. This  
107 subparagraph shall expire on the date specified in s. 290.016  
108 for the expiration of the Florida Enterprise Zone Act.

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

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111 income for the taxable year.

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

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

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

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

125 11. The amount taken as a credit for the taxable year  
126 under s. 220.1875. The addition in this subparagraph is intended  
127 to ensure that the same amount is not allowed for the tax  
128 purposes of this state as both a deduction from income and a  
129 credit against the tax. This addition is not intended to result  
130 in adding the same expense back to income more than once.

131 12. The amount taken as a credit for the taxable year  
132 under s. 220.193.

133 13. Any portion of a qualified investment, as defined in  
134 s. 288.9913, which is claimed as a deduction by the taxpayer and  
135 taken as a credit against income tax pursuant to s. 288.9916.

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136 14. The costs to acquire a tax credit pursuant to s.  
137 288.1254(5) that are deducted from or otherwise reduce federal  
138 taxable income for the taxable year.

139 15. The amount taken as a credit for the taxable year  
140 pursuant to s. 220.194.

141 16. The amount taken as a credit for the taxable year  
142 under s. 220.196. The addition in this subparagraph is intended  
143 to ensure that the same amount is not allowed for the tax  
144 purposes of this state as both a deduction from income and a  
145 credit against the tax. The addition is not intended to result  
146 in adding the same expense back to income more than once.

147 (b) *Subtractions.*—

148 1. There shall be subtracted from such taxable income:

149 a. The net operating loss deduction allowable for federal  
150 income tax purposes under s. 172 of the Internal Revenue Code  
151 for the taxable year, except that any net operating loss that is  
152 transferred pursuant to s. 220.194(6) may not be deducted by the  
153 seller,

154 b. The net capital loss allowable for federal income tax  
155 purposes under s. 1212 of the Internal Revenue Code for the  
156 taxable year,

157 c. The excess charitable contribution deduction allowable  
158 for federal income tax purposes under s. 170(d)(2) of the  
159 Internal Revenue Code for the taxable year, and

160 d. The excess contributions deductions allowable for

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161 federal income tax purposes under s. 404 of the Internal Revenue  
162 Code for the taxable year.

163

164 However, a net operating loss and a capital loss shall never be  
165 carried back as a deduction to a prior taxable year, but all  
166 deductions attributable to such losses shall be deemed net  
167 operating loss carryovers and capital loss carryovers,  
168 respectively, and treated in the same manner, to the same  
169 extent, and for the same time periods as are prescribed for such  
170 carryovers in ss. 172 and 1212, respectively, of the Internal  
171 Revenue Code. A deduction is not allowed for net operating  
172 losses, net capital losses, or excess contribution deductions  
173 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member  
174 of a water's edge group which is not a United States member.  
175 Carryovers of net operating losses, net capital losses, or  
176 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),  
177 172, 1212, and 404 may be subtracted only by the member of the  
178 water's edge group which generates a carryover.

179 2. There shall be subtracted from such taxable income any  
180 amount to the extent included therein the following:

181 a. Dividends treated as received from sources without the  
182 United States, as determined under s. 862 of the Internal  
183 Revenue Code.

184 b. All amounts included in taxable income under s. 78, s.  
185 951, or s. 951A of the Internal Revenue Code.

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186  
187 However, any amount subtracted under this subparagraph is  
188 allowed only to the extent such amount is not deductible in  
189 determining federal taxable income. As to any amount subtracted  
190 under this subparagraph, there shall be added to such taxable  
191 income all expenses deducted on the taxpayer's return for the  
192 taxable year which are attributable, directly or indirectly, to  
193 such subtracted amount. Further, no amount shall be subtracted  
194 with respect to dividends paid or deemed paid by a Domestic  
195 International Sales Corporation.

196 3. Amounts received by a member of a water's edge group as  
197 dividends paid by another member of the water's edge group must  
198 be subtracted from the taxable income to the extent that the  
199 dividends are included in the taxable income.

200 ~~4.3.~~ In computing "adjusted federal income" for taxable  
201 years beginning after December 31, 1976, there shall be allowed  
202 as a deduction the amount of wages and salaries paid or incurred  
203 within this state for the taxable year for which no deduction is  
204 allowed pursuant to s. 280C(a) of the Internal Revenue Code  
205 (relating to credit for employment of certain new employees).

206 5.4. There shall be subtracted from such taxable income  
207 any amount of nonbusiness income included therein.

208 ~~6.5.~~ There shall be subtracted any amount of taxes of  
209 foreign countries allowable as credits for taxable years  
210 beginning on or after September 1, 1985, under s. 901 of the

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211 Internal Revenue Code to any corporation which derived less than  
212 20 percent of its gross income or loss for its taxable year  
213 ended in 1984 from sources within the United States, as  
214 described in s. 861(a)(2)(A) of the Internal Revenue Code, not  
215 including credits allowed under ss. 902 and 960 of the Internal  
216 Revenue Code, withholding taxes on dividends within the meaning  
217 of sub-subparagraph 2.a., and withholding taxes on royalties,  
218 interest, technical service fees, and capital gains.

219 ~~7.6.~~ Notwithstanding any other provision of this code,  
220 except with respect to amounts subtracted pursuant to  
221 subparagraphs 1. and ~~4. 3.~~, any increment of any apportionment  
222 factor which is directly related to an increment of gross  
223 receipts or income which is deducted, subtracted, or otherwise  
224 excluded in determining adjusted federal income shall be  
225 excluded from both the numerator and denominator of such  
226 apportionment factor. Further, all valuations made for  
227 apportionment factor purposes shall be made on a basis  
228 consistent with the taxpayer's method of accounting for federal  
229 income tax purposes.

230 (c) *Installment sales occurring after October 19, 1980.*—

231 1. In the case of any disposition made after October 19,  
232 1980, the income from an installment sale shall be taken into  
233 account for the purposes of this code in the same manner that  
234 such income is taken into account for federal income tax  
235 purposes.

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236           2. Any taxpayer who regularly sells or otherwise disposes  
237 of personal property on the installment plan and reports the  
238 income therefrom on the installment method for federal income  
239 tax purposes under s. 453(a) of the Internal Revenue Code shall  
240 report such income in the same manner under this code.

241           (d) *Nonallowable deductions.*—A deduction for net operating  
242 losses, net capital losses, or excess contributions deductions  
243 under ss. 170(d)(2), 172, 1212, and 404 of the Internal Revenue  
244 Code which has been allowed in a prior taxable year for Florida  
245 tax purposes shall not be allowed for Florida tax purposes,  
246 notwithstanding the fact that such deduction has not been fully  
247 utilized for federal tax purposes.

248           (e) *Adjustments related to federal acts.*—Taxpayers shall  
249 be required to make the adjustments prescribed in this paragraph  
250 for Florida tax purposes with respect to certain tax benefits  
251 received pursuant to the Economic Stimulus Act of 2008, the  
252 American Recovery and Reinvestment Act of 2009, the Small  
253 Business Jobs Act of 2010, the Tax Relief, Unemployment  
254 Insurance Reauthorization, and Job Creation Act of 2010, the  
255 American Taxpayer Relief Act of 2012, the Tax Increase  
256 Prevention Act of 2014, the Consolidated Appropriations Act,  
257 2016, and the Tax Cuts and Jobs Act of 2017.

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

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261 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as  
262 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.  
263 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.  
264 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.  
265 113-295, s. 143 of Division Q of Pub. L. No. 114-113, and s.  
266 13201 of Pub. L. No. 115-97, for property placed in service  
267 after December 31, 2007, and before January 1, 2027. For the  
268 taxable year and for each of the 6 subsequent taxable years,  
269 there shall be subtracted from such taxable income an amount  
270 equal to one-seventh of the amount by which taxable income was  
271 increased pursuant to this subparagraph, notwithstanding any  
272 sale or other disposition of the property that is the subject of  
273 the adjustments and regardless of whether such property remains  
274 in service in the hands of the taxpayer.

275 2. There shall be added to such taxable income an amount  
276 equal to 100 percent of any amount in excess of \$128,000  
277 deducted for federal income tax purposes for the taxable year  
278 pursuant to s. 179 of the Internal Revenue Code of 1986, as  
279 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.  
280 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.  
281 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.  
282 No. 113-295, for taxable years beginning after December 31,  
283 2007, and before January 1, 2015. For the taxable year and for  
284 each of the 6 subsequent taxable years, there shall be  
285 subtracted from such taxable income one-seventh of the amount by

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286 | which taxable income was increased pursuant to this  
287 | subparagraph, notwithstanding any sale or other disposition of  
288 | the property that is the subject of the adjustments and  
289 | regardless of whether such property remains in service in the  
290 | hands of the taxpayer.

291 |         3. There shall be added to such taxable income an amount  
292 | equal to the amount of deferred income not included in such  
293 | taxable income pursuant to s. 108(i)(1) of the Internal Revenue  
294 | Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There  
295 | shall be subtracted from such taxable income an amount equal to  
296 | the amount of deferred income included in such taxable income  
297 | pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,  
298 | as amended by s. 1231 of Pub. L. No. 111-5.

299 |         4. Subtractions available under this paragraph may be  
300 | transferred to the surviving or acquiring entity following a  
301 | merger or acquisition and used in the same manner and with the  
302 | same limitations as specified by this paragraph.

303 |         5. The additions and subtractions specified in this  
304 | paragraph are intended to adjust taxable income for Florida tax  
305 | purposes, and, notwithstanding any other provision of this code,  
306 | such additions and subtractions shall be permitted to change a  
307 | taxpayer's net operating loss for Florida tax purposes.

308 |         (2) For purposes of this section, a taxpayer's taxable  
309 | income for the taxable year means taxable income as defined in  
310 | s. 63 of the Internal Revenue Code and properly reportable for

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311 federal income tax purposes for the taxable year, but subject to  
312 the limitations set forth in paragraph (1)(b) with respect to  
313 the deductions provided by ss. 172 (relating to net operating  
314 losses), 170(d)(2) (relating to excess charitable  
315 contributions), 404(a)(1)(D) (relating to excess pension trust  
316 contributions), 404(a)(3)(A) and (B) (to the extent relating to  
317 excess stock bonus and profit-sharing trust contributions), and  
318 1212 (relating to capital losses) of the Internal Revenue Code,  
319 except that, subject to the same limitations, the term:

320 (a) "Taxable income," in the case of a life insurance  
321 company subject to the tax imposed by s. 801 of the Internal  
322 Revenue Code, means life insurance company taxable income;  
323 however, for purposes of this code, the total of any amounts  
324 subject to tax under s. 815(a)(2) of the Internal Revenue Code  
325 pursuant to s. 801(c) of the Internal Revenue Code shall not  
326 exceed, cumulatively, the total of any amounts determined under  
327 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,  
328 from January 1, 1972, to December 31, 1983;

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

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

335 (d) "Taxable income," in the case of a regulated

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336 investment company subject to the tax imposed by s. 852 of the  
337 Internal Revenue Code, means investment company taxable income;

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

342 (f) "Taxable income," in the case of a corporation which  
343 is a member of an affiliated group of corporations filing a  
344 consolidated income tax return for the taxable year for federal  
345 income tax purposes, means taxable income of such corporation  
346 for federal income tax purposes as if such corporation had filed  
347 a separate federal income tax return for the taxable year and  
348 each preceding taxable year for which it was a member of an  
349 affiliated group, ~~unless a consolidated return for the taxpayer  
350 and others is required or elected under s. 220.131;~~

351 (g) "Taxable income," in the case of a cooperative  
352 corporation or association, means the taxable income of such  
353 organization determined in accordance with the provisions of ss.  
354 1381-1388 of the Internal Revenue Code;

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

359 (i) "Taxable income," in the case of a corporation for  
360 which there is in effect for the taxable year an election under

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361 s. 1362(a) of the Internal Revenue Code, means the amounts  
362 subject to tax under s. 1374 or s. 1375 of the Internal Revenue  
363 Code for each taxable year;

364 (j) "Taxable income," in the case of a limited liability  
365 company, other than a limited liability company classified as a  
366 partnership for federal income tax purposes, as defined in and  
367 organized pursuant to chapter 605 or qualified to do business in  
368 this state as a foreign limited liability company or other than  
369 a similar limited liability company classified as a partnership  
370 for federal income tax purposes and created as an artificial  
371 entity pursuant to the statutes of the United States or any  
372 other state, territory, possession, or jurisdiction, if such  
373 limited liability company or similar entity is taxable as a  
374 corporation for federal income tax purposes, means taxable  
375 income determined as if such limited liability company were  
376 required to file or had filed a federal corporate income tax  
377 return under the Internal Revenue Code;

378 (k) "Taxable income," in the case of a taxpayer liable for  
379 the alternative minimum tax as defined in s. 55 of the Internal  
380 Revenue Code, means the alternative minimum taxable income as  
381 defined in s. 55(b)(2) of the Internal Revenue Code, less the  
382 exemption amount computed under s. 55(d) of the Internal Revenue  
383 Code. A taxpayer is not liable for the alternative minimum tax  
384 unless the taxpayer's federal tax return, or related federal  
385 consolidated tax return, if included in a consolidated return

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386 for federal tax purposes, reflect a liability on the return  
387 filed for the alternative minimum tax as defined in s. 55(b)(2)  
388 of the Internal Revenue Code;

389 (1) "Taxable income," in the case of a taxpayer whose  
390 taxable income is not otherwise defined in this subsection,  
391 means the sum of amounts to which a tax rate specified in s. 11  
392 of the Internal Revenue Code plus the amount to which a tax rate  
393 specified in s. 1201(a)(2) of the Internal Revenue Code are  
394 applied for federal income tax purposes.

395 Section 27. Section 220.131, Florida Statutes, is  
396 repealed.

397 Section 28. Section 220.136, Florida Statutes, is created  
398 to read:

399 220.136 Determination of the members of a water's edge  
400 group.—

401 (1) A corporation having 50 percent or more of its  
402 outstanding voting stock directly or indirectly owned or  
403 controlled by a water's edge group is presumed to be a member of  
404 the water's edge group. A corporation having less than 50  
405 percent of its outstanding voting stock directly or indirectly  
406 owned or controlled by a water's edge group is a member of the  
407 water's edge group if the business activities of the corporation  
408 show that the corporation is a member of the water's edge group.  
409 All of the income of a corporation that is a member of a water's  
410 edge group is presumed to be unitary. For purposes of this

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411 subsection, the attribution rules of 26 U.S.C. s. 318 must be  
412 used to determine whether voting stock is indirectly owned.

413 (2) (a) A corporation that conducts business outside the  
414 United States is not a member of a water's edge group if 80  
415 percent or more of the corporation's property and payroll, as  
416 determined by the apportionment factors described in ss. 220.15  
417 and 220.1363, may be assigned to locations outside of the United  
418 States. However, such corporations that are incorporated in a  
419 tax haven may be a member of a water's edge group pursuant to  
420 subsection (1). This subsection does not exempt a corporation  
421 that is not a member of a water's edge group from this chapter.

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

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

429 Section 29. Section 220.1363, Florida Statutes, is created  
430 to read:

431 220.1363 Water's edge groups; special requirements.-

432 (1) For purposes of this section, the term "water's edge  
433 reporting method" is a method to determine the taxable business  
434 profits of a group of entities conducting a unitary business.  
435 Under this method, the net income of the entities must be added

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436 together, along with the additions and subtractions under s.  
437 220.13, and apportioned to this state as a single taxpayer under  
438 ss. 220.15 and 220.151. However, each special industry member  
439 included in a water's edge group return, which would otherwise  
440 be permitted to use a special method of apportionment under s.  
441 220.151, shall convert its single-factor apportionment to a  
442 three-factor apportionment of property, payroll, and sales. The  
443 special industry member shall calculate the denominator of its  
444 property, payroll, and sales factors in the same manner as those  
445 denominators are calculated by members that are not special  
446 industry members. The numerator of its sales, property, and  
447 payroll factors is the product of the denominator of each factor  
448 multiplied by the premiums or revenue-miles-factor ratio  
449 otherwise applicable under s. 220.151.

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

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

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

458 (c) Intercompany sales transactions between members of the  
459 water's edge group are not included in the numerator or  
460 denominator of the sales factor under ss. 220.15 and 220.151,

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461 regardless of whether indicia of a sale exist.

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

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

472  
473 As used in this subsection, the term "sale" includes, but is not  
474 limited to, loans, payments for the use of intangibles,  
475 dividends, and management fees.

476 (3) (a) If a parent corporation is a member of the water's  
477 edge group and has nexus with this state, a single water's edge  
478 group return must be filed in the name and under the federal  
479 employer identification number of the parent corporation. If the  
480 water's edge group does not have a parent corporation, if the  
481 parent corporation is not a member of the water's edge group, or  
482 if the parent corporation does not have nexus with this state,  
483 then the members of the water's edge group must choose a member  
484 subject to the tax imposed by this chapter to file the return.  
485 The members of the water's edge group may not choose another

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486 member to file a corporate income tax return in subsequent years  
487 unless the filing member does not maintain nexus with this state  
488 or does not remain a member of the water's edge group. The  
489 return must be signed by an authorized officer of the filing  
490 member as the agent for the water's edge group.

491 (b) If members of a water's edge group have different  
492 taxable years, the taxable year of a majority of the members of  
493 the water's edge group is the taxable year of the water's edge  
494 group. If the taxable years of a majority of the members of a  
495 water's edge group do not correspond, the taxable year of the  
496 member that must file the return for the water's edge group is  
497 the taxable year of the water's edge group.

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

502 a. The precise amount of taxable income received during  
503 the months corresponding to the taxable year of the water's edge  
504 group, if the precise amount can be readily determined from the  
505 member's books and records.

506 b. The taxable income of the member converted to conform  
507 to the taxable year of the water's edge group on the basis of  
508 the number of months falling within the taxable year of the  
509 water's edge group. For example, if the taxable year of the  
510 water's edge group is a calendar year and a member operates on a

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511 fiscal year ending on April 30, the income of the member must  
512 include 8/12 of the income from the current taxable year and  
513 4/12 of the income from the preceding taxable year. This method  
514 to determine the income of a member may be used only if the  
515 return can be timely filed after the end of the taxable year of  
516 the water's edge group.

517 c. The taxable income of the member during its taxable  
518 year that ends within the taxable year of the water's edge  
519 group.

520 2. The method of determining the income of a member of a  
521 water's edge group whose taxable year does not correspond to the  
522 taxable year of the water's edge group may not change as long as  
523 the member remains a member of the water's edge group. The  
524 apportionment factors for the member must be applied to the  
525 income of the member for the taxable year of the water's edge  
526 group.

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

529 1. Combines the federal income of all members of the  
530 water's edge group;

531 2. Shows all intercompany eliminations;

532 3. Shows Florida additions and subtractions under s.  
533 220.13; and

534 4. Shows the calculation of the combined apportionment  
535 factors.

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

- 539 1. The income reported to each state;  
540 2. The state tax liability;  
541 3. The method used for apportioning or allocating income  
542 to the various states; and  
543 4. Other information required by department rule in order  
544 to determine the proper amount of tax due to each state and to  
545 identify the water's edge group.

546 (5) The department may adopt rules and forms to administer  
547 this section. The Legislature intends to grant the department  
548 extensive authority to adopt rules and forms describing and  
549 defining principles for determining the existence of a water's  
550 edge business, definitions of common control, methods of  
551 reporting, and related forms, principles, and other definitions.

552 Section 30. Section 220.14, Florida Statutes, is amended  
553 to read:

554 220.14 Exemption.—

555 (1) In computing a taxpayer's liability for tax under this  
556 code, there shall be exempt from the tax \$50,000 of net income  
557 as defined in s. 220.12 or such lesser amount as will, without  
558 increasing the taxpayer's federal income tax liability, provide  
559 the state with an amount under this code which is equal to the  
560 maximum federal income tax credit which may be available from

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561 time to time under federal law.

562 (2) In the case of a taxable year for a period of less  
563 than 12 months, the exemption allowed by this section must ~~shall~~  
564 be prorated on the basis of the number of days in such year to  
565 365 days, or, in a leap year, 366 days.

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

568 (4) Notwithstanding any other provision of this code, not  
569 more than one exemption under this section may be allowed to the  
570 Florida members of a controlled group of corporations, as  
571 defined in s. 1563 of the Internal Revenue Code with respect to  
572 taxable years ending on or after December 31, 1970, filing  
573 separate returns under this code. The exemption described in  
574 this section shall be divided equally among such Florida members  
575 of the group, unless all of such members consent, at such time  
576 and in such manner as the department shall by regulation  
577 prescribe, to an apportionment plan providing for an unequal  
578 allocation of such exemption.

579 Section 31. Paragraph (c) of subsection (5) of section  
580 220.15, Florida Statutes, is amended to read:

581 220.15 Apportionment of adjusted federal income.—

582 (5) The sales factor is a fraction the numerator of which  
583 is the total sales of the taxpayer in this state during the  
584 taxable year or period and the denominator of which is the total  
585 sales of the taxpayer everywhere during the taxable year or

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586 period.

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

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

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

595 3. Interest received within this state, other than  
596 interest from loans secured by mortgages, deeds of trust, or  
597 other liens upon real or tangible personal property located  
598 without this state, and dividends received within this state;

599 4. Interest charged to customers at places of business  
600 maintained within this state for carrying debit balances of  
601 margin accounts, without deduction of any costs incurred in  
602 carrying such accounts;

603 5. Interest, fees, commissions, or other charges or gains  
604 from loans secured by mortgages, deeds of trust, or other liens  
605 upon real or tangible personal property located in this state or  
606 from installment sale agreements originally executed by a  
607 taxpayer or the taxpayer's agent to sell real or tangible  
608 personal property located in this state;

609 6. Rents from real or tangible personal property located  
610 in this state; or

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611 7. Any other gross income, including other interest,  
612 resulting from the operation as a financial organization within  
613 this state.

614

615 ~~In computing the amounts under this paragraph, any amount~~  
616 ~~received by a member of an affiliated group (determined under s.~~  
617 ~~1504(a) of the Internal Revenue Code, but without reference to~~  
618 ~~whether any such corporation is an "includable corporation"~~  
619 ~~under s. 1504(b) of the Internal Revenue Code) from another~~  
620 ~~member of such group shall be included only to the extent such~~  
621 ~~amount exceeds expenses of the recipient directly related~~  
622 ~~thereto.~~

623 Section 32. Paragraph (f) of subsection (1) of section  
624 220.183, Florida Statutes, is amended to read:

625 220.183 Community contribution tax credit.—

626 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
627 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
628 SPENDING.—

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

632 Section 33. Paragraphs (b), (c), and (d) of subsection (2)  
633 of section 220.1845, Florida Statutes, are amended to read:

634 220.1845 Contaminated site rehabilitation tax credit.—

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

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636 (b) A tax credit applicant, or multiple tax credit  
637 applicants working jointly to clean up a single site, may not be  
638 granted more than \$500,000 per year in tax credits for each site  
639 voluntarily rehabilitated. Multiple tax credit applicants shall  
640 be granted tax credits in the same proportion as their  
641 contribution to payment of cleanup costs. Subject to the same  
642 conditions and limitations as provided in this section, a  
643 municipality, county, or other tax credit applicant which  
644 voluntarily rehabilitates a site may receive not more than  
645 \$500,000 per year in tax credits which it can subsequently  
646 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

647 (c) If the credit granted under this section is not fully  
648 used in any one year because of insufficient tax liability on  
649 the part of the corporation, the unused amount may be carried  
650 forward for up to 5 years. The carryover credit may be used in a  
651 subsequent year if the tax imposed by this chapter for that year  
652 exceeds the credit for which the corporation is eligible in that  
653 year after applying the other credits and unused carryovers in  
654 the order provided by s. 220.02(8). If during the 5-year period  
655 the credit is transferred, in whole or in part, pursuant to  
656 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of  
657 transfer to use its credit.

658 ~~(d) A taxpayer that files a consolidated return in this~~  
659 ~~state as a member of an affiliated group under s. 220.131(1) may~~

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660 ~~be allowed the credit on a consolidated return basis up to the~~  
661 ~~amount of tax imposed upon the consolidated group.~~

662 Section 34. Subsection (2) of section 220.1875, Florida  
663 Statutes, is amended to read:

664 220.1875 Credit for contributions to eligible nonprofit  
665 scholarship-funding organizations.—

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

671 Section 35. Paragraphs (a) and (c) of subsection (3) of  
672 section 220.191, Florida Statutes, are amended to read:

673 220.191 Capital investment tax credit.—

674 (3) (a) Notwithstanding subsection (2), an annual credit  
675 against the tax imposed by this chapter shall be granted to a  
676 qualifying business which establishes a qualifying project  
677 pursuant to subparagraph (1) (g) 3., in an amount equal to the  
678 lesser of \$15 million or 5 percent of the eligible capital costs  
679 made in connection with a qualifying project, for a period not  
680 to exceed 20 years beginning with the commencement of operations  
681 of the project. The tax credit shall be granted against the  
682 corporate income tax liability of the qualifying business ~~and as~~  
683 ~~further provided in paragraph (c).~~ The total tax credit provided  
684 pursuant to this subsection shall be equal to no more than 100

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685 percent of the eligible capital costs of the qualifying project.

686 (c) The credit granted under this subsection may be used  
687 in whole or in part by the qualifying business ~~or any~~  
688 ~~corporation that is either a member of that qualifying~~  
689 ~~business's affiliated group of corporations, is a related entity~~  
690 ~~taxable as a cooperative under subchapter T of the Internal~~  
691 ~~Revenue Code, or, if the qualifying business is an entity~~  
692 ~~taxable as a cooperative under subchapter T of the Internal~~  
693 ~~Revenue Code, is related to the qualifying business. Any entity~~  
694 ~~related to the qualifying business may continue to file as a~~  
695 ~~member of a Florida nexus consolidated group pursuant to a prior~~  
696 ~~election made under s. 220.131(1), Florida Statutes (1985), even~~  
697 ~~if the parent of the group changes due to a direct or indirect~~  
698 ~~acquisition of the former common parent of the group. Any credit~~  
699 ~~can be used by any of the affiliated companies or related~~  
700 ~~entities referenced in this paragraph to the same extent as it~~  
701 ~~could have been used by the qualifying business. However, any~~  
702 ~~such use shall not operate to increase the amount of the credit~~  
703 ~~or extend the period within which the credit must be used.~~

704 Section 36. Subsection (2) of section 220.192, Florida  
705 Statutes, is amended to read:

706 220.192 Renewable energy technologies investment tax  
707 credit.—

708 (2) TAX CREDIT.—For tax years beginning on or after  
709 January 1, 2013, a credit against the tax imposed by this

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710 chapter shall be granted in an amount equal to the eligible  
711 costs. Credits may be used in tax years beginning January 1,  
712 2013, and ending December 31, 2016, after which the credit shall  
713 expire. If the credit is not fully used in any one tax year  
714 because of insufficient tax liability on the part of the  
715 corporation, the unused amount may be carried forward and used  
716 in tax years beginning January 1, 2013, and ending December 31,  
717 2018, after which the credit carryover expires and may not be  
718 used. ~~A taxpayer that files a consolidated return in this state~~  
719 ~~as a member of an affiliated group under s. 220.131(1) may be~~  
720 ~~allowed the credit on a consolidated return basis up to the~~  
721 ~~amount of tax imposed upon the consolidated group.~~ Any eligible  
722 cost for which a credit is claimed and which is deducted or  
723 otherwise reduces federal taxable income shall be added back in  
724 computing adjusted federal income under s. 220.13.

725 Section 37. Paragraphs (c) and (e) of subsection (3) of  
726 section 220.193, Florida Statutes, are amended to read:

727 220.193 Florida renewable energy production credit.—

728 (3) An annual credit against the tax imposed by this  
729 section shall be allowed to a taxpayer, based on the taxpayer's  
730 production and sale of electricity from a new or expanded  
731 Florida renewable energy facility. For a new facility, the  
732 credit shall be based on the taxpayer's sale of the facility's  
733 entire electrical production. For an expanded facility, the  
734 credit shall be based on the increases in the facility's

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735 electrical production that are achieved after May 1, 2012.

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

740 1. An applicant who places a new facility in operation  
741 after May 1, 2012, shall be allocated credits first, up to a  
742 maximum of \$250,000 each, with any remaining credits to be  
743 granted pursuant to subparagraph 3., but if the claims for  
744 credits under this subparagraph exceed the state fiscal year cap  
745 in paragraph (f) ~~(g)~~, credits shall be allocated pursuant to  
746 this subparagraph on a prorated basis based upon each  
747 applicant's qualified production and sales as a percentage of  
748 total production and sales for all applicants in this category  
749 for the fiscal year.

750 2. An applicant who does not qualify under subparagraph 1.  
751 but who claims a credit of \$50,000 or less shall be allocated  
752 credits next, but if the claims for credits under this  
753 subparagraph, combined with credits allocated in subparagraph  
754 1., exceed the state fiscal year cap in paragraph (f) ~~(g)~~,  
755 credits shall be allocated pursuant to this subparagraph on a  
756 prorated basis based upon each applicant's qualified production  
757 and sales as a percentage of total qualified production and  
758 sales for all applicants in this category for the fiscal year.

759 3. An applicant who does not qualify under subparagraph 1.

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760 or subparagraph 2. and an applicant whose credits have not been  
761 fully allocated under subparagraph 1. shall be allocated credits  
762 next. If there is insufficient capacity within the amount  
763 authorized for the state fiscal year in paragraph (f) ~~(g)~~, and  
764 after allocations pursuant to subparagraphs 1. and 2., the  
765 credits allocated under this subparagraph shall be prorated  
766 based upon each applicant's unallocated claims for qualified  
767 production and sales as a percentage of total unallocated claims  
768 for qualified production and sales of all applicants in this  
769 category, up to a maximum of \$1 million per taxpayer per state  
770 fiscal year. If, after application of this \$1 million cap, there  
771 is excess capacity under the state fiscal year cap in paragraph  
772 (f) ~~(g)~~ in any state fiscal year, that remaining capacity shall  
773 be used to allocate additional credits with priority given in  
774 the order set forth in this subparagraph and without regard to  
775 the \$1 million per taxpayer cap.

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

780 Section 38. Section 220.51, Florida Statutes, is amended  
781 to read:

782 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In  
783 accordance with the Administrative Procedure Act, chapter 120,  
784 the department is authorized to make, adopt ~~promulgate~~, and

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785 enforce such reasonable rules and regulations, and to prescribe  
786 such forms relating to the administration and enforcement of ~~the~~  
787 ~~provisions of~~ this code, as it may deem appropriate, including:

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

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

796 ~~(3) Regulations relating to consolidated reporting for~~  
797 ~~affiliated groups of corporations, in order to provide for an~~  
798 ~~equitable and just administration of this code with respect to~~  
799 ~~multicorporate taxpayers.~~

800 Section 39. Section 220.64, Florida Statutes, is amended  
801 to read:

802 220.64 Other provisions applicable to franchise tax.—To  
803 the extent that they are not manifestly incompatible with ~~the~~  
804 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and  
805 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,  
806 220.15, and 220.16 apply to the franchise tax imposed by this  
807 part. Under rules prescribed by the department ~~in s. 220.131~~, a  
808 consolidated return may be filed by any affiliated group of  
809 corporations composed of one or more banks or savings

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810 associations, ~~its or~~ their Florida parent corporations  
811 ~~corporation~~, and any nonbank or nonsavings subsidiaries of such  
812 parent corporations ~~corporation~~.

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

816 288.1254 Entertainment industry financial incentive  
817 program.—

818 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
819 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;  
820 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
821 ACQUISITIONS.—

822 ~~(f) Consolidated returns. A certified production company~~  
823 ~~that files a Florida consolidated return as a member of an~~  
824 ~~affiliated group under s. 220.131(1) may be allowed the credit~~  
825 ~~on a consolidated return basis up to the amount of the tax~~  
826 ~~imposed upon the consolidated group under chapter 220.~~

827 (5) TRANSFER OF TAX CREDITS.—

828 (a) *Authorization.*—Upon application to the Office of Film  
829 and Entertainment and approval by the department, a certified  
830 production company, or a partner or member that has received a  
831 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to  
832 transfer, in whole or in part, any unused credit amount granted  
833 under this section. An election to transfer any unused tax  
834 credit amount under chapter 212 or chapter 220 must be made no

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835 later than 5 years after the date the credit is awarded, after  
836 which period the credit expires and may not be used. The  
837 department shall notify the Department of Revenue of the  
838 election and transfer.

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

841 376.30781 Tax credits for rehabilitation of drycleaning-  
842 solvent-contaminated sites and brownfield sites in designated  
843 brownfield areas; application process; rulemaking authority;  
844 revocation authority.—

845 (9) On or before May 1, the Department of Environmental  
846 Protection shall inform each tax credit applicant that is  
847 subject to the January 31 annual application deadline of the  
848 applicant's eligibility status and the amount of any tax credit  
849 due. The department shall provide each eligible tax credit  
850 applicant with a tax credit certificate that must be submitted  
851 with its tax return to the Department of Revenue to claim the  
852 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~  
853 ~~220.1845(2)(g)~~. The May 1 deadline for annual site  
854 rehabilitation tax credit certificate awards shall not apply to  
855 any tax credit application for which the department has issued a  
856 notice of deficiency pursuant to subsection (8). The department  
857 shall respond within 90 days after receiving a response from the  
858 tax credit applicant to such a notice of deficiency. Credits may  
859 not result in the payment of refunds if total credits exceed the

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860 amount of tax owed.

861 (10) For solid waste removal, new health care facility or  
862 health care provider, and affordable housing tax credit  
863 applications, the Department of Environmental Protection shall  
864 inform the applicant of the department's determination within 90  
865 days after the application is deemed complete. Each eligible tax  
866 credit applicant shall be informed of the amount of its tax  
867 credit and provided with a tax credit certificate that must be  
868 submitted with its tax return to the Department of Revenue to  
869 claim the tax credit or be transferred pursuant to s.  
870 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the  
871 payment of refunds if total credits exceed the amount of tax  
872 owed.

873 Section 42. Transitional rules.-

874 (1) For the first taxable year beginning on or after  
875 January 1, 2022, a taxpayer that filed a Florida corporate  
876 income tax return in the preceding taxable year and that is a  
877 member of a water's edge group shall compute its income together  
878 with all members of its water's edge group and file a combined  
879 Florida corporate income tax return with all members of its  
880 water's edge group.

881 (2) An affiliated group of corporations which filed a  
882 Florida consolidated corporate income tax return pursuant to an  
883 election provided in former s. 220.131, Florida Statutes, shall  
884 cease filing a Florida consolidated return for taxable years

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885 beginning on or after January 1, 2022, and shall file a combined  
886 Florida corporate income tax return with all members of its  
887 water's edge group.

888 (3) An affiliated group of corporations which filed a  
889 Florida consolidated corporate income tax return pursuant to the  
890 election in s. 220.131(1), Florida Statutes (1985), which  
891 allowed the affiliated group to make an election within 90 days  
892 after December 20, 1984, or upon filing the taxpayer's first  
893 return after December 20, 1984, whichever was later, shall cease  
894 filing a Florida consolidated corporate income tax return using  
895 that method for taxable years beginning on or after January 1,  
896 2022, and shall file a combined Florida corporate income tax  
897 return with all members of its water's edge group.

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

902 (5) For taxable years beginning on or after January 1,  
903 2022, a tax return for a member of a water's edge group must be  
904 a combined Florida corporate income tax return that includes tax  
905 information for all members of the water's edge group. The tax  
906 return must be filed by a member that has a nexus with this  
907 state.

908 Section 43. Any additional revenue received as a result of  
909 the enactment of sections 25-42 of this act must be used to

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910 reduce the rate of tax on the commercial rental of real property  
911 under s. 212.031.

912 -----

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

914 Remove line 129 and insert:  
915 applicability; providing construction; amending s.  
916 220.03, F.S.; revising the definition of the term  
917 "taxpayer"; defining terms; amending s. 220.13, F.S.;  
918 revising the definition of the term "adjusted federal  
919 income" to prohibit specified deductions, to limit  
920 certain carryovers, and to require subtractions of  
921 certain dividends paid and received within a water's  
922 edge group for the purpose of determining subtractions  
923 from taxable income; conforming provisions to changes  
924 made by the act; repealing s. 220.131, F.S., relating  
925 to the adjusted federal income of affiliated groups;  
926 creating s. 220.136, F.S.; specifying circumstances  
927 under which a corporation is presumed to be, deemed to  
928 be, or deemed not to be a member of a water's edge  
929 group; providing construction; defining the term  
930 "United States"; creating s. 220.1363, F.S.; defining  
931 the term "water's edge reporting method"; specifying  
932 requirements for, limitations on, and prohibitions in  
933 calculating and reporting income in a water's edge  
934 group return; requiring all members of a water's edge

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935 group to use the water's edge reporting method;  
936 defining the term "sale"; specifying requirements for  
937 designating the filing member and the taxable year of  
938 the water's edge group; specifying income reporting  
939 requirements for certain members of the water's edge  
940 group; requiring that a water's edge group return  
941 include a specified computational schedule and  
942 domestic disclosure spreadsheet; authorizing the  
943 Department of Revenue to adopt rules; providing  
944 legislative intent regarding the adoption of rules;  
945 amending s. 220.14, F.S.; revising the calculation for  
946 prorating a certain corporate income tax exemption to  
947 reflect leap years; conforming a provision to changes  
948 made by the act; amending ss. 220.15, 220.183,  
949 220.1845, 220.1875, 220.191, 220.192, 220.193, and  
950 220.51, F.S.; conforming provisions to changes made by  
951 the act; amending s. 220.64, F.S.; providing  
952 applicability of water's edge group provisions to the  
953 franchise tax; conforming provisions to changes made  
954 by the act; amending ss. 288.1254 and 376.30781, F.S.;  
955 conforming provisions to changes made by the act;  
956 specifying, beginning on a specified date,  
957 requirements for corporate tax return filings for  
958 certain taxpayers; requiring that recaptured funds be  
959 appropriated for a certain purpose; authorizing the

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