The Committee on Finance and Tax (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Effective upon becoming a law and operating retroactively to January 1, 2022, paragraph (n) of subsection (1) and paragraph (c) of subsection (2) of section 220.03, Florida Statutes, are amended to read:

220.03 Definitions.—

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

   (n) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 2022, except as provided in subsection (3).

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

   (c) Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2022. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

Section 2. Effective January 1, 2023, paragraph (e) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 “Adjusted federal income” defined.—
(1) The term “adjusted federal income” means an amount equal to the taxpayer’s taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

   (e) Adjustments related to federal acts.—Taxpayers shall be required to make the adjustments prescribed in this paragraph for Florida tax purposes with respect to certain tax benefits received pursuant to the Economic Stimulus Act of 2008; the


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

c. The provisions of Sub-subparagraph b. do not apply to amounts by which taxable income was increased pursuant to this subparagraph for amounts deducted for federal income tax purposes as bonus depreciation for qualified improvement property as defined in s. 168(e)(6) of the Internal Revenue Code.

This subparagraph does not apply to property placed in service in taxable years beginning on or after January 1, 2023.

2. There shall be added to such taxable income an amount equal to 100 percent of any amount in excess of $128,000 deducted for federal income tax purposes for the taxable year pursuant to s. 179 of the Internal Revenue Code of 1986, as amended by s. 102 of Pub. L. No. 110-185; s. 1202 of Pub. L. No. 111-5; s. 2021 of Pub. L. No. 111-240; s. 402 of Pub. L. No. 111-312; s. 315 of Pub. L. No. 112-240; and s. 127 of Pub. L. No. 113-295, for taxable years beginning after December 31, 2007, and before January 1, 2015. For the taxable year and for each of the 6 subsequent taxable years, there shall be subtracted from such taxable income one-seventh of the amount by which taxable income was increased pursuant to this subparagraph, notwithstanding any sale or other disposition of the property that is the subject of the adjustments and regardless of whether such property remains in service in the hands of the taxpayer.

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

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

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

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

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

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

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

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

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

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

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

Section 3. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law.  

And the title is amended as follows:  

Delete everything before the enacting clause and insert:  

A bill to be entitled An act relating to the corporate income tax; amending s. 220.03, F.S.; adopting the 2022 version of the Internal Revenue Code for purposes of the state corporate income tax code; providing for retroactive operation; amending s. 220.13, F.S.; providing applicability for adjustments taxpayers must make to adjusted federal income with respect to bonus depreciation; revising the adjustments taxpayers must make to adjusted federal income with respect to business interest; providing effective dates.