

By the Committees on Appropriations; and Finance and Tax

576-03345-26

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1 A bill to be entitled
2 An act relating to the Internal Revenue Code; amending
3 s. 220.03, F.S.; revising the definition of the term
4 "Internal Revenue Code"; amending s. 220.13, F.S.;
5 conforming provisions to changes made by the act;
6 providing for retroactive application; requiring the
7 Department of Revenue to adopt rules; authorizing the
8 Department of Revenue to adopt emergency rules;
9 providing an effective date.

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

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13 Section 1. Paragraph (n) of subsection (1) and paragraph
14 (c) of subsection (2) of section 220.03, Florida Statutes, are
15 amended to read:

16 220.03 Definitions.—

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

21 (n) "Internal Revenue Code" means the United States
22 Internal Revenue Code of 1986, as amended and in effect on
23 January 1, 2026 ~~2025~~, except:

24 1. As provided in subsection (3);

25 2. Sections 168(k), 174(a), 163(j), 274, and 179 of the
26 United States Internal Revenue Code of 1986 are included as
27 amended and in effect on January 1, 2025; and

28 3. Sections 168(n) and 174A are not included.

29 (2) DEFINITIONAL RULES.—When used in this code and neither

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30 otherwise distinctly expressed nor manifestly incompatible with
31 the intent thereof:

32 (c) Any term used in this code has the same meaning as when
33 used in a comparable context in the Internal Revenue Code and
34 other statutes of the United States relating to federal income
35 taxes, as such code and statutes are in effect on January 1,
36 2026, except as provided in paragraph (1)(n) 2025. However, if
37 subsection (3) is implemented, the meaning of a term shall be
38 taken at the time the term is applied under this code.

39 Section 2. Subsection (2) of section 220.13, Florida
40 Statutes, is amended to read:

41 220.13 "Adjusted federal income" defined.—

42 (2) For purposes of this section, a taxpayer's taxable
43 income for the taxable year means taxable income as defined in
44 s. 63 of the Internal Revenue Code and properly reportable for
45 federal income tax purposes for the taxable year, except as
46 provided in s. 220.03(1)(n) and (2)(c), but subject to the
47 limitations set forth in paragraph (1)(b) with respect to the
48 deductions provided by ss. 172 (relating to net operating
49 losses), 170(d)(2) (relating to excess charitable
50 contributions), 404(a)(1)(D) (relating to excess pension trust
51 contributions), 404(a)(3)(A) and (B) (to the extent relating to
52 excess stock bonus and profit-sharing trust contributions), and
53 1212 (relating to capital losses) of the Internal Revenue Code,
54 except that, subject to the same limitations, the term:

55 (a) "Taxable income," in the case of a life insurance
56 company subject to the tax imposed by s. 801 of the Internal
57 Revenue Code, means life insurance company taxable income;
58 however, for purposes of this code, the total of any amounts

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59 subject to tax under s. 815(a)(2) of the Internal Revenue Code
60 pursuant to s. 801(c) of the Internal Revenue Code shall not
61 exceed, cumulatively, the total of any amounts determined under
62 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,
63 from January 1, 1972, to December 31, 1983;

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

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

70 (d) "Taxable income," in the case of a regulated investment
71 company subject to the tax imposed by s. 852 of the Internal
72 Revenue Code, means investment company taxable income;

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

77 (f) "Taxable income," in the case of a corporation which is
78 a member of an affiliated group of corporations filing a
79 consolidated income tax return for the taxable year for federal
80 income tax purposes, means taxable income of such corporation
81 for federal income tax purposes as if such corporation had filed
82 a separate federal income tax return for the taxable year and
83 each preceding taxable year for which it was a member of an
84 affiliated group, unless a consolidated return for the taxpayer
85 and others is required or elected under s. 220.131;

86 (g) "Taxable income," in the case of a cooperative
87 corporation or association, means the taxable income of such

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88 organization determined in accordance with the provisions of ss.
89 1381-1388 of the Internal Revenue Code;

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

94 (i) "Taxable income," in the case of a corporation for
95 which there is in effect for the taxable year an election under
96 s. 1362(a) of the Internal Revenue Code, means the amounts
97 subject to tax under s. 1374 or s. 1375 of the Internal Revenue
98 Code for each taxable year;

99 (j) "Taxable income," in the case of a limited liability
100 company, other than a limited liability company classified as a
101 partnership for federal income tax purposes, as defined in and
102 organized pursuant to chapter 605 or qualified to do business in
103 this state as a foreign limited liability company or other than
104 a similar limited liability company classified as a partnership
105 for federal income tax purposes and created as an artificial
106 entity pursuant to the statutes of the United States or any
107 other state, territory, possession, or jurisdiction, if such
108 limited liability company or similar entity is taxable as a
109 corporation for federal income tax purposes, means taxable
110 income determined as if such limited liability company were
111 required to file or had filed a federal corporate income tax
112 return under the Internal Revenue Code;

113 (k) "Taxable income," in the case of a taxpayer liable for
114 the alternative minimum tax as defined in s. 55 of the Internal
115 Revenue Code, means the alternative minimum taxable income as
116 defined in s. 55(b)(2) of the Internal Revenue Code, less the

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117 exemption amount computed under s. 55(d) of the Internal Revenue
118 Code. A taxpayer is not liable for the alternative minimum tax
119 unless the taxpayer's federal tax return, or related federal
120 consolidated tax return, if included in a consolidated return
121 for federal tax purposes, reflect a liability on the return
122 filed for the alternative minimum tax as defined in s. 55(b)(2)
123 of the Internal Revenue Code;

124 (1) "Taxable income," in the case of a taxpayer whose
125 taxable income is not otherwise defined in this subsection,
126 means the sum of amounts to which a tax rate specified in s. 11
127 of the Internal Revenue Code plus the amount to which a tax rate
128 specified in s. 1201(a)(2) of the Internal Revenue Code are
129 applied for federal income tax purposes.

130 Section 3. (1) The amendments made by this act to ss.
131 220.03(1)(n) and (2)(c) and 220.13(2), Florida Statutes, operate
132 retroactively to January 1, 2026.

133 (2) Pursuant to the rulemaking authority in s. 213.06,
134 Florida Statutes, and the specific authority in s. 213.05,
135 Florida Statutes, for the Department of Revenue to regulate,
136 control, and administer all revenue laws therein, including all
137 portions of chapter 220, Florida Statutes, the Department of
138 Revenue shall adopt rules to implement this act.

139 (3) The Department of Revenue is authorized, and all
140 conditions are deemed met, to adopt emergency rules under s.
141 120.54(4), Florida Statutes, for the purpose of implementing
142 this act. Notwithstanding any other law, emergency rules adopted
143 under this section are effective for 6 months after adoption and
144 may be renewed during the pendency of procedures to adopt
145 permanent rules addressing the subject of the emergency rules.

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Section 4. This act shall take effect upon becoming a law.