SENATOR AMENDMENT

Bill No. CS/HB 7097, 1st Eng.

LEGISLATIVE ACTION

Senate

Floor: NC/2R
03/12/2020 07:01 PM

House

Senator Gruters moved the following:

Senate Amendment to Amendment (882296) (with title amendment)

Between lines 2894 and 2895 insert:

Section 63. Effective upon becoming a law, 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:


1.a. There shall be added to such taxable income an amount equal to 100 percent of any amount deducted for federal income tax purposes as bonus depreciation for the taxable year pursuant to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No. 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No. 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No. 113-295, s. 143 of Division Q of Pub. L. No. 114-295, and s. 13201 of Pub. L. No. 115-97, for property placed in service after December 31, 2007, and before January 1, 2027. 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 sub-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.

b. An eligible taxpayer may subtract any remaining amount of bonus depreciation on eligible property by which taxable income was increased pursuant to this subparagraph in the taxable year in which the eligible property is removed from service and may not make any further subtractions under subparagraph a. for that property. As used in this subparagraph, the term “eligible taxpayer” means a taxpayer that deferred gains on the exchange of tangible personal property under s. 1031 of the Internal Revenue Code before January 1, 2018, and is classified under NAICS industry group 5321 or code 522220. An eligible taxpayer is not disqualified from this treatment solely because it is part of an affiliated group that files a consolidated return and the parent company or other members of the group are not eligible taxpayers. As used in this sub-subparagraph, the term “eligible property” means the same type of tangible personal property on which an eligible taxpayer would have been able to defer gains under s. 1031 of the Internal Revenue Code before January 1, 2018, and which was placed into service on or after January 1, 2019. Eligible property does not include tangible personal property transferred between members of an affiliated group that files a consolidated return.

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.
1.111-312, 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. 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.

5. 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 64. The amendment to s. 220.13(1)(e), Florida Statutes, made by this act applies to taxable years beginning on
or after January 1, 2019, and to tangible personal property put into service on or after January 1, 2019.

And the title is amended as follows:

Delete line 3684

and insert:

s. 220.13, F.S.; specifying the authority of certain corporate income tax payers in the automotive equipment rental and leasing and sales financing industries to subtract bonus depreciation on certain tangible personal property; defining the terms “eligible taxpayer” and “eligible property”; providing construction and retroactive applicability; revising the definition of the term