

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. PCB WMC 20-01~~PCB WMC 20-01~~ (2020)

Amendment No. 6

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Ways & Means Committee
2 Representative Eskamani offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 2393 and 2394, insert:

6 Section 44. Paragraph (z) of subsection (1) of section
7 220.03, Florida Statutes, is amended, and paragraphs (gg) and
8 (hh) are added to that subsection, to read:

9 220.03 Definitions.—

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

14 (z) "Taxpayer" means any corporation subject to the tax
15 imposed by this code, and includes all corporations that are
16 members of a water's edge group ~~for which a consolidated return~~

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

17 ~~is filed under s. 220.131.~~ However, "taxpayer" does not include
18 a corporation having no individuals, ~~(including individuals~~
19 ~~employed by an affiliate,~~) receiving compensation in this state
20 as defined in s. 220.15 when the only property owned or leased
21 by said corporation, ~~(including an affiliate,~~) in this state is
22 located at the premises of a printer with which it has
23 contracted for printing, if such property consists of the final
24 printed product, property which becomes a part of the final
25 printed product, or property from which the printed product is
26 produced.

27 (gg) "Tax haven" means a jurisdiction that, for a
28 particular tax year:

29 1. Is identified by the Organization for Economic Co-
30 operation and Development as a tax haven or as having a harmful
31 preferential tax regime; or

32 2.a. Is a jurisdiction that does not impose or imposes
33 only a nominal, effective tax on relevant income;

34 b. Has laws or practices that prevent the effective
35 exchange of information for tax purposes with other governments
36 regarding taxpayers who are subject to, or benefiting from, the
37 tax regime;

38 c. Lacks transparency;

39 d. Facilitates the establishment of foreign-owned entities
40 without the need for a local substantive presence or prohibits
41 these entities from having any commercial impact on the local

Amendment No. 6

42 economy;

43 e. Explicitly or implicitly excludes the jurisdiction's
44 resident taxpayers from taking advantage of the tax regime's
45 benefits or prohibits enterprises that benefit from the regime
46 from operating in the jurisdiction's domestic market; or

47 f. Has created a tax regime that is favorable for tax
48 avoidance, based on an overall assessment of relevant factors,
49 including whether the jurisdiction has a significant untaxed
50 offshore financial or other services sector relative to its
51 overall economy.

52
53 For purposes of this paragraph, a tax regime lacks transparency
54 if the details of legislative, legal, or administrative
55 requirements are not open to public scrutiny and apparent or are
56 not consistently applied among similarly situated taxpayers. As
57 used in this paragraph, the term "tax regime" means a set or
58 system of rules, laws, regulations, or practices by which taxes
59 are imposed on any person, corporation, or entity, or on any
60 income, property, incident, indicia, or activity pursuant to
61 government authority.

62 (hh) "Water's edge group" means a group of corporations
63 related through common ownership whose business activities are
64 integrated with, dependent upon, or contribute to a flow of
65 value among members of the group.

66 Section 45. Section 220.13, Florida Statutes, is amended

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

67 to read:

68 220.13 "Adjusted federal income" defined.—

69 (1) The term "adjusted federal income" means an amount
70 equal to the taxpayer's taxable income as defined in subsection
71 (2), or such taxable income of more than one taxpayer as
72 provided in s. 220.1363 ~~s. 220.131~~, for the taxable year,
73 adjusted as follows:

74 (a) *Additions.*—There shall be added to such taxable
75 income:

76 1.a. The amount of any tax upon or measured by income,
77 excluding taxes based on gross receipts or revenues, paid or
78 accrued as a liability to the District of Columbia or any state
79 of the United States which is deductible from gross income in
80 the computation of taxable income for the taxable year.

81 b. Notwithstanding sub-subparagraph a., if a credit taken
82 under s. 220.1875 is added to taxable income in a previous
83 taxable year under subparagraph 11. and is taken as a deduction
84 for federal tax purposes in the current taxable year, the amount
85 of the deduction allowed shall not be added to taxable income in
86 the current year. The exception in this sub-subparagraph is
87 intended to ensure that the credit under s. 220.1875 is added in
88 the applicable taxable year and does not result in a duplicate
89 addition in a subsequent year.

90 2. The amount of interest which is excluded from taxable
91 income under s. 103(a) of the Internal Revenue Code or any other

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

92 federal law, less the associated expenses disallowed in the
93 computation of taxable income under s. 265 of the Internal
94 Revenue Code or any other law, excluding 60 percent of any
95 amounts included in alternative minimum taxable income, as
96 defined in s. 55(b)(2) of the Internal Revenue Code, if the
97 taxpayer pays tax under s. 220.11(3).

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

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

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

112 6. The amount taken as a credit under s. 220.195 which is
113 deductible from gross income in the computation of taxable
114 income for the taxable year.

115 7. That portion of assessments to fund a guaranty
116 association incurred for the taxable year which is equal to the

Amendment No. 6

117 amount of the credit allowable for the taxable year.

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

123 9. The amount taken as a credit for the taxable year under
124 s. 220.1895.

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

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

134 12. The amount taken as a credit for the taxable year
135 under s. 220.192.

136 13. The amount taken as a credit for the taxable year
137 under s. 220.193.

138 14. Any portion of a qualified investment, as defined in
139 s. 288.9913, which is claimed as a deduction by the taxpayer and
140 taken as a credit against income tax pursuant to s. 288.9916.

141 15. The costs to acquire a tax credit pursuant to s.

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

142 288.1254(5) that are deducted from or otherwise reduce federal
143 taxable income for the taxable year.

144 16. The amount taken as a credit for the taxable year
145 pursuant to s. 220.194.

146 17. The amount taken as a credit for the taxable year
147 under s. 220.196. The addition in this subparagraph is intended
148 to ensure that the same amount is not allowed for the tax
149 purposes of this state as both a deduction from income and a
150 credit against the tax. The addition is not intended to result
151 in adding the same expense back to income more than once.

152 (b) *Subtractions.*—

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

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

159 b. The net capital loss allowable for federal income tax
160 purposes under s. 1212 of the Internal Revenue Code for the
161 taxable year,

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

165 d. The excess contributions deductions allowable for
166 federal income tax purposes under s. 404 of the Internal Revenue

Amendment No. 6

167 Code for the taxable year.

168

169 However, a net operating loss and a capital loss shall never be
170 carried back as a deduction to a prior taxable year, but all
171 deductions attributable to such losses shall be deemed net
172 operating loss carryovers and capital loss carryovers,
173 respectively, and treated in the same manner, to the same
174 extent, and for the same time periods as are prescribed for such
175 carryovers in ss. 172 and 1212, respectively, of the Internal
176 Revenue Code. A deduction is not allowed for net operating
177 losses, net capital losses, or excess contribution deductions
178 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
179 of a water's edge group who is not a United States member.
180 Carryovers of net operating losses, net capital losses, or
181 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
182 172, 1212, and 404 may be subtracted only by the member of the
183 water's edge group who generates a carryover.

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

186 a. Dividends treated as received from sources without the
187 United States, as determined under s. 862 of the Internal
188 Revenue Code.

189 b. All amounts included in taxable income under s. 78, s.
190 951, or s. 951A of the Internal Revenue Code.

191

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

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

201 3. Amounts received by a member of a water's edge group as
202 dividends paid by another member of the water's edge group must
203 be subtracted from the taxable income if the dividends are
204 included in the taxable income.

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

211 ~~5.4.~~ There shall be subtracted from such taxable income
212 any amount of nonbusiness income included therein.

213 ~~6.5.~~ There shall be subtracted any amount of taxes of
214 foreign countries allowable as credits for taxable years
215 beginning on or after September 1, 1985, under s. 901 of the
216 Internal Revenue Code to any corporation which derived less than

Amendment No. 6

217 20 percent of its gross income or loss for its taxable year
218 ended in 1984 from sources within the United States, as
219 described in s. 861(a)(2)(A) of the Internal Revenue Code, not
220 including credits allowed under ss. 902 and 960 of the Internal
221 Revenue Code, withholding taxes on dividends within the meaning
222 of sub-subparagraph 2.a., and withholding taxes on royalties,
223 interest, technical service fees, and capital gains.

224 ~~7.6.~~ Notwithstanding any other provision of this code,
225 except with respect to amounts subtracted pursuant to
226 subparagraphs 1. and ~~4.3.~~, any increment of any apportionment
227 factor which is directly related to an increment of gross
228 receipts or income which is deducted, subtracted, or otherwise
229 excluded in determining adjusted federal income shall be
230 excluded from both the numerator and denominator of such
231 apportionment factor. Further, all valuations made for
232 apportionment factor purposes shall be made on a basis
233 consistent with the taxpayer's method of accounting for federal
234 income tax purposes.

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

236 1. In the case of any disposition made after October 19,
237 1980, the income from an installment sale shall be taken into
238 account for the purposes of this code in the same manner that
239 such income is taken into account for federal income tax
240 purposes.

241 2. Any taxpayer who regularly sells or otherwise disposes

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

242 of personal property on the installment plan and reports the
243 income therefrom on the installment method for federal income
244 tax purposes under s. 453(a) of the Internal Revenue Code shall
245 report such income in the same manner under this code.

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

253 (e) *Adjustments related to federal acts.*—Taxpayers must
254 ~~shall be required to~~ make the adjustments prescribed in this
255 paragraph for Florida tax purposes with respect to certain tax
256 benefits received pursuant to the Economic Stimulus Act of 2008,
257 the American Recovery and Reinvestment Act of 2009, the Small
258 Business Jobs Act of 2010, the Tax Relief, Unemployment
259 Insurance Reauthorization, and Job Creation Act of 2010, the
260 American Taxpayer Relief Act of 2012, the Tax Increase
261 Prevention Act of 2014, the Consolidated Appropriations Act,
262 2016, and the Tax Cuts and Jobs Act of 2017.

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

Amendment No. 6

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

280 2. There shall be added to such taxable income an amount
281 equal to 100 percent of any amount in excess of \$128,000
282 deducted for federal income tax purposes for the taxable year
283 pursuant to s. 179 of the Internal Revenue Code of 1986, as
284 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
285 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.
286 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.
287 No. 113-295, for taxable years beginning after December 31,
288 2007, and before January 1, 2015. For the taxable year and for
289 each of the 6 subsequent taxable years, there shall be
290 subtracted from such taxable income one-seventh of the amount by
291 which taxable income was increased pursuant to this

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

292 subparagraph, notwithstanding any sale or other disposition of
293 the property that is the subject of the adjustments and
294 regardless of whether such property remains in service in the
295 hands of the taxpayer.

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

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

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

313 (2) For purposes of this section, a taxpayer's taxable
314 income for the taxable year means taxable income as defined in
315 s. 63 of the Internal Revenue Code and properly reportable for
316 federal income tax purposes for the taxable year, but subject to

317 the limitations set forth in paragraph (1)(b) with respect to
318 the deductions provided by ss. 172 (relating to net operating
319 losses), 170(d)(2) (relating to excess charitable
320 contributions), 404(a)(1)(D) (relating to excess pension trust
321 contributions), 404(a)(3)(A) and (B) (to the extent relating to
322 excess stock bonus and profit-sharing trust contributions), and
323 1212 (relating to capital losses) of the Internal Revenue Code,
324 except that, subject to the same limitations, the term:

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

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

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

340 (d) "Taxable income," in the case of a regulated
341 investment company subject to the tax imposed by s. 852 of the

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

342 Internal Revenue Code, means investment company taxable income;

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

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

356 (g) "Taxable income," in the case of a cooperative
357 corporation or association, means the taxable income of such
358 organization determined in accordance with the provisions of ss.
359 1381-1388 of the Internal Revenue Code;

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

364 (i) "Taxable income," in the case of a corporation for
365 which there is in effect for the taxable year an election under
366 s. 1362(a) of the Internal Revenue Code, means the amounts

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

367 subject to tax under s. 1374 or s. 1375 of the Internal Revenue
368 Code for each taxable year;

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

383 (k) "Taxable income," in the case of a taxpayer liable for
384 the alternative minimum tax as defined in s. 55 of the Internal
385 Revenue Code, means the alternative minimum taxable income as
386 defined in s. 55(b)(2) of the Internal Revenue Code, less the
387 exemption amount computed under s. 55(d) of the Internal Revenue
388 Code. A taxpayer is not liable for the alternative minimum tax
389 unless the taxpayer's federal tax return, or related federal
390 consolidated tax return, if included in a consolidated return
391 for federal tax purposes, reflect a liability on the return

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

392 filed for the alternative minimum tax as defined in s. 55(b) (2)
393 of the Internal Revenue Code;

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

400 Section 46. Section 220.131, Florida Statutes, is
401 repealed.

402 Section 47. Section 220.136, Florida Statutes, is created
403 to read:

404 220.136 Determination of the members of a water's edge
405 group.-

406 (1) A corporation having 50 percent or more of its
407 outstanding voting stock directly or indirectly owned or
408 controlled by a water's edge group is presumed to be a member of
409 the water's edge group. A corporation having less than 50
410 percent of its outstanding voting stock directly or indirectly
411 owned or controlled by a water's edge group is a member of the
412 water's edge group if the businesses activities of the
413 corporation show that the corporation is a member of the water's
414 edge group. All of the income of a corporation that is a member
415 of a water's edge group is presumed to be unitary. For purposes
416 of this subsection, the attribution rules of 26 U.S.C. s. 318

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

417 must be used to determine whether voting stock is indirectly
418 owned.

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

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

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

435 Section 48. Section 220.1363, Florida Statutes, is created
436 to read:

437 220.1363 Water's edge groups; special requirements.-

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

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

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

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

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

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

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

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

467 regardless of whether indicia of a sale exist.

468 (d) For sales of intangibles, including accounts
469 receivable, notes, bonds, and stock, which are made to entities
470 outside the group, only the net proceeds are included in the
471 numerator and denominator of the sales factor.

472 (e) Sales that are not allocated or apportioned to any
473 taxing jurisdiction, otherwise known as "nowhere sales," may not
474 be included in the numerator or denominator of the sales factor.

475 (f) The income attributable to the Florida activities of a
476 corporation that is exempt from taxation under the Interstate
477 Income Act of 1959, Pub. L. No. 86-272, is excluded from the
478 apportionment factor numerators in the calculation of corporate
479 income tax, even if another member of the water's edge group has
480 nexus with this state and is subject to tax.

481
482 As used in this subsection, the term "sale" includes, but is not
483 limited to, loans, payments for the use of intangibles,
484 dividends, and management fees.

485 (3) (a) If a parent corporation is a member of the water's
486 edge group and has nexus with this state, a single water's edge
487 group return must be filed in the name and under the federal
488 employer identification number of the parent corporation. If the
489 water's edge group does not have a parent corporation, if the
490 parent corporation is not a member of the water's edge group, or
491 if the parent corporation does not have nexus with this state,

492 then the members of the water's edge group must choose a member
493 subject to the tax imposed by this chapter to file the return.
494 The members of the water's edge group may not choose another
495 member to file a corporate income tax return in subsequent years
496 unless the filing member does not maintain nexus with this state
497 or does not remain a member of the water's edge group. The
498 return must be signed by an authorized officer of the filing
499 member as the agent for the water's edge group.

500 (b) If members of a water's edge group have different
501 taxable years, the taxable year of a majority of the members of
502 the water's edge group is the taxable year of the water's edge
503 group. If the taxable years of a majority of the members do not
504 correspond, the taxable year of the member that files the return
505 for the water's edge group is the taxable year of the water's
506 edge group.

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

511 a. The precise amount of taxable income received during
512 the months corresponding to the taxable year of the water's edge
513 group, if the precise amount can be readily determined from the
514 member's books and records.

515 b. The taxable income of the member converted to conform
516 to the taxable year of the water's edge group on the basis of

Amendment No. 6

517 the number of months falling within the taxable year of the
518 water's edge group, such that, if the taxable year of the
519 water's edge group is a calendar year and a member operates on a
520 fiscal year ending on April 30, the income of the member must
521 include 8/12 of the income from the current taxable year and
522 4/12 of the income from the preceding taxable year. This method
523 to determine the income of a member may be used only if the
524 return can be timely filed after the end of the taxable year of
525 the water's edge group.

526 c. The taxable income of the member during its taxable
527 year that ends within the taxable year of the water's edge
528 group.

529 2. The method of determining the income of a member of a
530 water's edge group whose taxable year does not correspond to the
531 taxable year of the water's edge group may not change as long as
532 the member remains a member of the water's edge group. The
533 apportionment factors for the member must be applied to the
534 income of the member for the taxable year of the water's edge
535 group.

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

538 1. Combines the federal income of all members of the
539 water's edge group;

540 2. Shows all intercompany eliminations;

541 3. Shows Florida additions and subtractions under s.

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

542 220.13; and

543 4. Shows the calculation of the combined apportionment
544 factors.

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

548 1. The income reported to each state;

549 2. The state tax liability;

550 3. The method used for apportioning or allocating income
551 to the various states; and

552 4. Other information required by department rule to
553 determine the proper amount of tax due to each state and to
554 identify the water's edge group.

555 (5) The department may adopt rules and forms to administer
556 this section. The Legislature intends to grant the department
557 extensive authority to adopt rules and forms describing and
558 defining principles for determining the existence of a water's
559 edge business, definitions of common control, methods of
560 reporting, and related forms, principles, and other definitions.

561 Section 49. Section 220.14, Florida Statutes, is amended
562 to read:

563 220.14 Exemption.—

564 (1) In computing a taxpayer's liability for tax under this
565 code, there shall be exempt from the tax \$50,000 of net income
566 as defined in s. 220.12 or such lesser amount as will, without

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

567 increasing the taxpayer's federal income tax liability, provide
568 the state with an amount under this code which is equal to the
569 maximum federal income tax credit which may be available from
570 time to time under federal law.

571 (2) In the case of a taxable year for a period of less
572 than 12 months, the exemption allowed by this section must ~~shall~~
573 be prorated on the basis of the number of days in such year to
574 365 days, or, in a leap year, 366 days.

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

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

588 Section 50. Paragraph (c) of subsection (5) of section
589 220.15, Florida Statutes, is amended to read:

590 220.15 Apportionment of adjusted federal income.—

591 (5) The sales factor is a fraction the numerator of which

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

592 is the total sales of the taxpayer in this state during the
593 taxable year or period and the denominator of which is the total
594 sales of the taxpayer everywhere during the taxable year or
595 period.

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

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

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

604 3. Interest received within this state, other than
605 interest from loans secured by mortgages, deeds of trust, or
606 other liens upon real or tangible personal property located
607 without this state, and dividends received within this state;

608 4. Interest charged to customers at places of business
609 maintained within this state for carrying debit balances of
610 margin accounts, without deduction of any costs incurred in
611 carrying such accounts;

612 5. Interest, fees, commissions, or other charges or gains
613 from loans secured by mortgages, deeds of trust, or other liens
614 upon real or tangible personal property located in this state or
615 from installment sale agreements originally executed by a
616 taxpayer or the taxpayer's agent to sell real or tangible

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

617 personal property located in this state;

618 6. Rents from real or tangible personal property located
619 in this state; or

620 7. Any other gross income, including other interest,
621 resulting from the operation as a financial organization within
622 this state.

623

624 ~~In computing the amounts under this paragraph, any amount~~
625 ~~received by a member of an affiliated group (determined under s.~~
626 ~~1504(a) of the Internal Revenue Code, but without reference to~~
627 ~~whether any such corporation is an "includable corporation"~~
628 ~~under s. 1504(b) of the Internal Revenue Code) from another~~
629 ~~member of such group shall be included only to the extent such~~
630 ~~amount exceeds expenses of the recipient directly related~~
631 ~~thereto.~~

632 Section 51. Paragraph (f) of subsection (1) of section
633 220.183, Florida Statutes, is amended to read:

634 220.183 Community contribution tax credit.—

635 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
636 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
637 SPENDING.—

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

641 Section 52. Paragraphs (b), (c), and (d) of subsection (2)

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

642 of section 220.1845, Florida Statutes, are amended to read:

643 220.1845 Contaminated site rehabilitation tax credit.—

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

645 (b) A tax credit applicant, or multiple tax credit
646 applicants working jointly to clean up a single site, may not be
647 granted more than \$500,000 per year in tax credits for each site
648 voluntarily rehabilitated. Multiple tax credit applicants shall
649 be granted tax credits in the same proportion as their
650 contribution to payment of cleanup costs. Subject to the same
651 conditions and limitations as provided in this section, a
652 municipality, county, or other tax credit applicant which
653 voluntarily rehabilitates a site may receive not more than
654 \$500,000 per year in tax credits which it can subsequently
655 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

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

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

667 ~~(d) A taxpayer that files a consolidated return in this~~
668 ~~state as a member of an affiliated group under s. 220.131(1) may~~
669 ~~be allowed the credit on a consolidated return basis up to the~~
670 ~~amount of tax imposed upon the consolidated group.~~

671 Section 53. Subsection (2) of section 220.1875, Florida
672 Statutes, is amended to read:

673 220.1875 Credit for contributions to eligible nonprofit
674 scholarship-funding organizations.—

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

680 Section 54. Paragraphs (a) and (c) of subsection (3) of
681 section 220.191, Florida Statutes, are amended to read:

682 220.191 Capital investment tax credit.—

683 (3) (a) Notwithstanding subsection (2), an annual credit
684 against the tax imposed by this chapter shall be granted to a
685 qualifying business which establishes a qualifying project
686 pursuant to subparagraph (1)(g)3., in an amount equal to the
687 lesser of \$15 million or 5 percent of the eligible capital costs
688 made in connection with a qualifying project, for a period not
689 to exceed 20 years beginning with the commencement of operations
690 of the project. The tax credit shall be granted against the
691 corporate income tax liability of the qualifying business ~~and as~~

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

692 ~~further provided in paragraph (c).~~ The total tax credit provided
693 pursuant to this subsection shall be equal to no more than 100
694 percent of the eligible capital costs of the qualifying project.

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

713 Section 55. Subsection (2) of section 220.192, Florida
714 Statutes, is amended to read:

715 220.192 Renewable energy technologies investment tax
716 credit.—

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

717 (2) TAX CREDIT.—For tax years beginning on or after
718 January 1, 2013, a credit against the tax imposed by this
719 chapter shall be granted in an amount equal to the eligible
720 costs. Credits may be used in tax years beginning January 1,
721 2013, and ending December 31, 2016, after which the credit shall
722 expire. If the credit is not fully used in any one tax year
723 because of insufficient tax liability on the part of the
724 corporation, the unused amount may be carried forward and used
725 in tax years beginning January 1, 2013, and ending December 31,
726 2018, after which the credit carryover expires and may not be
727 used. ~~A taxpayer that files a consolidated return in this state~~
728 ~~as a member of an affiliated group under s. 220.131(1) may be~~
729 ~~allowed the credit on a consolidated return basis up to the~~
730 ~~amount of tax imposed upon the consolidated group.~~ Any eligible
731 cost for which a credit is claimed and which is deducted or
732 otherwise reduces federal taxable income shall be added back in
733 computing adjusted federal income under s. 220.13.

734 Section 56. Paragraphs (c) and (e) of subsection (3) of
735 section 220.193, Florida Statutes, are amended to read:

736 220.193 Florida renewable energy production credit.—

737 (3) An annual credit against the tax imposed by this
738 section shall be allowed to a taxpayer, based on the taxpayer's
739 production and sale of electricity from a new or expanded
740 Florida renewable energy facility. For a new facility, the
741 credit shall be based on the taxpayer's sale of the facility's

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

742 entire electrical production. For an expanded facility, the
743 credit shall be based on the increases in the facility's
744 electrical production that are achieved after May 1, 2012.

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

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

759 2. An applicant who does not qualify under subparagraph 1.
760 but who claims a credit of \$50,000 or less shall be allocated
761 credits next, but if the claims for credits under this
762 subparagraph, combined with credits allocated in subparagraph
763 1., exceed the state fiscal year cap in paragraph (f) ~~(g)~~,
764 credits shall be allocated pursuant to this subparagraph on a
765 prorated basis based upon each applicant's qualified production
766 and sales as a percentage of total qualified production and

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

767 sales for all applicants in this category for the fiscal year.

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

785 ~~(e) A taxpayer that files a consolidated return in this~~
786 ~~state as a member of an affiliated group under s. 220.131(1) may~~
787 ~~be allowed the credit on a consolidated return basis up to the~~
788 ~~amount of tax imposed upon the consolidated group.~~

789 Section 57. Section 220.51, Florida Statutes, is amended
790 to read:

791 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

792 accordance with the Administrative Procedure Act, chapter 120,
793 the department is authorized to make, adopt ~~promulgate~~, and
794 enforce such reasonable rules and regulations, and to prescribe
795 such forms relating to the administration and enforcement of ~~the~~
796 ~~provisions of~~ this code, as it may deem appropriate, including:

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

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

805 ~~(3) Regulations relating to consolidated reporting for~~
806 ~~affiliated groups of corporations, in order to provide for an~~
807 ~~equitable and just administration of this code with respect to~~
808 ~~multicorporate taxpayers.~~

809 Section 58. Section 220.64, Florida Statutes, is amended
810 to read:

811 220.64 Other provisions applicable to franchise tax.—To
812 the extent that they are not manifestly incompatible with ~~the~~
813 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and
814 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
815 220.15, and 220.16 apply to the franchise tax imposed by this
816 part. Under rules prescribed by the department ~~in s. 220.131~~, a

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

~~Draft Request# 74097~~

Amendment No. 6

817 consolidated return may be filed by any affiliated group of
818 corporations composed of one or more banks or savings
819 associations, ~~its or~~ their Florida parent corporations
820 ~~corporation~~, and any nonbank or nonsavings subsidiaries of such
821 parent corporations ~~corporation~~.

822 Section 59. Paragraph (f) of subsection (4) and paragraph
823 (a) of subsection (5) of section 288.1254, Florida Statutes, are
824 amended to read:

825 288.1254 Entertainment industry financial incentive
826 program.—

827 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
828 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
829 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
830 ACQUISITIONS.—

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

836 (5) TRANSFER OF TAX CREDITS.—

837 (a) *Authorization.*—Upon application to the Office of Film
838 and Entertainment and approval by the department, a certified
839 production company, or a partner or member that has received a
840 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to
841 transfer, in whole or in part, any unused credit amount granted

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

Amendment No. 6

842 under this section. An election to transfer any unused tax
843 credit amount under chapter 212 or chapter 220 must be made no
844 later than 5 years after the date the credit is awarded, after
845 which period the credit expires and may not be used. The
846 department shall notify the Department of Revenue of the
847 election and transfer.

848 Section 60. Subsections (9) and (10) of section 376.30781,
849 Florida Statutes, are amended to read:

850 376.30781 Tax credits for rehabilitation of drycleaning-
851 solvent-contaminated sites and brownfield sites in designated
852 brownfield areas; application process; rulemaking authority;
853 revocation authority.—

854 (9) On or before May 1, the Department of Environmental
855 Protection shall inform each tax credit applicant that is
856 subject to the January 31 annual application deadline of the
857 applicant's eligibility status and the amount of any tax credit
858 due. The department shall provide each eligible tax credit
859 applicant with a tax credit certificate that must be submitted
860 with its tax return to the Department of Revenue to claim the
861 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~
862 ~~220.1845(2)(g)~~. The May 1 deadline for annual site
863 rehabilitation tax credit certificate awards shall not apply to
864 any tax credit application for which the department has issued a
865 notice of deficiency pursuant to subsection (8). The department
866 shall respond within 90 days after receiving a response from the

PCB WMC 20-01 a6

Published On: 2/18/2020 6:46:45 PM

867 tax credit applicant to such a notice of deficiency. Credits may
868 not result in the payment of refunds if total credits exceed the
869 amount of tax owed.

870 (10) For solid waste removal, new health care facility or
871 health care provider, and affordable housing tax credit
872 applications, the Department of Environmental Protection shall
873 inform the applicant of the department's determination within 90
874 days after the application is deemed complete. Each eligible tax
875 credit applicant shall be informed of the amount of its tax
876 credit and provided with a tax credit certificate that must be
877 submitted with its tax return to the Department of Revenue to
878 claim the tax credit or be transferred pursuant to s.
879 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the
880 payment of refunds if total credits exceed the amount of tax
881 owed.

882 Section 61. Transitional rules.-

883 (1) For the first taxable year beginning on or after
884 January 1, 2021, a taxpayer that filed a Florida corporate
885 income tax return in the preceding taxable year and that is a
886 member of a water's edge group shall compute its income together
887 with all members of its water's edge group and file a combined
888 Florida corporate income tax return with all members of its
889 water's edge group.

890 (2) An affiliated group of corporations that filed a
891 Florida consolidated corporate income tax return pursuant to an

892 election provided in s. 220.131, Florida Statutes 2018, shall
893 cease filing a Florida consolidated return for taxable years
894 beginning on or after January 1, 2021, and shall file a combined
895 Florida corporate income tax return with all members of its
896 water's edge group.

897 (3) An affiliated group of corporations that filed a
898 Florida consolidated corporate income tax return pursuant to the
899 election in s. 220.131(1), Florida Statutes (1985), which
900 allowed the affiliated group to make an election within 90 days
901 after December 20, 1984, or upon filing the taxpayer's first
902 return after December 20, 1984, whichever was later, shall cease
903 filing a Florida consolidated corporate income tax return using
904 that method for taxable years beginning on or after January 1,
905 2021, and shall file a combined Florida corporate income tax
906 return with all members of its water's edge group.

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

911 (5) For taxable years beginning on or after January 1,
912 2021, a tax return for a member of a water's edge group must be
913 a combined Florida corporate income tax return that includes tax
914 information for all members of the water's edge group. The tax
915 return must be filed by a member that has a nexus with this
916 state.

917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941

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

Remove line 150 and insert:
applicability; amending s. 220.03, F.S.; revising the
definition of the term "taxpayer"; providing
definitions; amending s. 220.13, F.S.; revising the
definition of the term "adjusted federal income" to
prohibit specified deductions, to limit certain
carryovers, and to require subtractions of certain
dividends paid and received within a water's edge
group for the purpose of determining subtractions from
taxable income; conforming provisions to changes made
by the act; repealing s. 220.131, F.S., relating to
the adjusted federal income of affiliated groups;
creating s. 220.136, F.S.; specifying circumstances
under which a corporation is presumed to be, deemed to
be, or deemed not to be a member of a water's edge
group; providing construction; defining the term
"United States"; creating s. 220.1363, F.S.; defining
the term "water's edge reporting method"; specifying
requirements for, limitations on, and prohibitions in
calculating and reporting income in a water's edge
group return; requiring all members of a water's edge
group to use the water's edge reporting method;

Amendment No. 6

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

PCB WMC 20-01 a6Published On: 2/18/2020 6:46:45 PM~~Draft Request# 74097~~