

Jun 10, 1982

Re: Technical Assistance Advisement No. 82C1-002
Reorganization of Mutual Savings to Stock Savings
Association

This responds to your request dated March 2, 1982, concerning the Florida franchise tax consequences of the proposed conversion of the above from a mutual savings and loan association to a stock savings and loan association.

The special rules for banks and savings associations in Part VII of Chapter 220 describe the franchise tax base in Section 220.63(3), Florida Statutes, as follows:

"For purposes of this part, the franchise tax base shall be adjusted federal income, as defined in s. 220.13,... less \$5,000."

Taxable income is defined in section 220.13(2), Florida Statutes, as follows:

"For purposes of this section, a taxpayer's taxable income for the taxable year shall mean taxable income as defined in Section 63 of the Internal Revenue Code and properly reportable for federal income tax purposes for the taxable year,..."

The reference to the Internal Revenue Code (above) means the Internal Revenue Code of 1954, as amended.

If the proposed conversion qualifies as a tax free reorganization under federal income tax law and would not give rise to any taxable income for federal income tax purposes it will not affect taxable income for Florida franchise tax purposes.

This response constitutes a technical assistance advisement

under s. 213.22, F.S., which is binding on the department only under the facts and circumstances described in the request for this advice as specified in s. 213.22, F.S. Our response is predicated on those facts and the specific situation summarized above. You are advised that subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which this advice is based may subject similar future transactions to a different treatment than expressed in this response.

You are further advised that this response and your request are public records under Chapter 119, F.S., which are subject to disclosure to the public under the conditions of s. 213.22, F.S. Your name, address, and any other details which might lead to identification of the taxpayer must be deleted by the department before disclosure. In an effort to protect confidential information, we request you notify the undersigned in writing within 15 days of any deletions you wish made to the request or this response.

Sincerely

Frank J. Siska
Technical Assistant

FJS/dbm