

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12C-1, FLORIDA ADMINISTRATIVE CODE
CORPORATE INCOME TAX
AMENDING RULES 12C-1.01915 AND 12C-1.051

12C-1.01915 Credit for Qualified Railroad Reconstruction or Replacement Expenditures.

(1) Definitions. For purposes of this rule, the following terms mean:

(a) No change.

(b) “Qualified expenditures” means gross expenditures made in Florida by a qualifying railroad during the taxable year in which the credit is claimed, provided such expenditures were made for track that was owned or leased by a qualifying railroad on the last day of the prior calendar year, and were:

1. through 2. No change.

(c) “Qualifying railroad” means any Class II or Class III railroad operating in Florida on the last day of the calendar year prior to the taxable year for which the credit is claimed, pursuant to the classifications in effect for that year as set by the United States Surface Transportation Board or its successor.

(2) Available Credits for Qualifying Railroads. ~~A For taxable years beginning on or after January 1, 2023, a~~ credit equal to 50 percent of a qualifying railroad’s qualified expenditures incurred in Florida during a taxable year is available against the Florida corporate income tax imposed by Chapter 220, F.S. However, the amount of the credit may not exceed \$3,500 multiplied by the number of miles of railroad track owned or leased in Florida by the qualifying railroad as of the end of the calendar year prior to the taxable year in which the qualified expenditures were incurred.

(a) through (c) No change.

(3) Application Process. To apply for available program credits, a qualifying railroad must submit a Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit (Form F-11915, incorporated by reference in Rule 12C-1.051, F.A.C.) to the Department each taxable year, along with documentation demonstrating that the qualifying railroad’s qualified expenditures meet the criteria to receive credits. Only one Form F-11915 may be submitted per qualifying railroad per taxable year.

(a) If federal Form 8900 (Qualified Railroad Track Maintenance Credit), or its equivalent, is filed with the Internal Revenue Service within 60 days prior to submitting Form F-11915, If the qualifying railroad earned a federal credit under 26 U.S.C. 45G during the taxable year, the supporting documentation must include federal Form 8900 (Qualified Railroad Track Maintenance Credit) or its equivalent. Otherwise, a qualifying railroad must submit federal Form 8900 directly to the Department within 60 days of submitting the form to the Internal Revenue Service.

~~(b) If the qualifying railroad is a taxpayer under Chapter 220, F.S., it must submit Form F-11915 when it files its Florida Corporate Income/Franchise Tax Return (Form F-1120, incorporated by reference in Rule 12C-1.051, F.A.C.).~~

~~(b)(e) The~~ If the qualifying railroad is not a taxpayer under Chapter 220, F.S., it must submit Form F-11915 to the Department no later than May 1 of the calendar year following the year in which the qualified expenditures were made. If the May 1 due date falls on a Saturday, Sunday, or legal holiday, Form F-11915 will be considered timely if the form is postmarked or electronically submitted on the next succeeding day that is not a Saturday, Sunday, or legal holiday. The May 1 due date may not otherwise be extended.

1. Example: ~~Qualifying railroad X is not a taxpayer under Chapter 220, F.S.~~ Qualifying railroad X operates on a calendar year basis. X has qualified expenditures during calendar year 2024 ~~2023~~. X must apply for a credit by submitting Form F-11915 to with the Department no later than May 1, 2025 ~~2024~~.

2. Example: ~~Qualifying railroad Y is not a taxpayer under Chapter 220, F.S.~~ Qualifying railroad Y operates on a fiscal year basis, with a January 31 year end. Y has qualified expenditures during the fiscal year beginning February 1, 2024 ~~2023~~, and ending January 31, 2025 ~~2024~~. Y must apply for a credit by submitting Form F-11915 to with the Department no later than May 1, 2026 ~~2025~~.

(d) renumbered (c) No change.

(d) The Department will issue a letter to the qualifying railroad within 30 days after receipt of the completed application indicating the amount of the approved credit.

(4) Determination of Carryforward or Transfer of Unused Credits. When a credit is not fully used during a taxable year, either because the qualifying railroad that earned the credit has insufficient tax liability or because the qualifying railroad is not a taxpayer under Chapter 220, F.S., the credit may be carried forward or may be transferred in accordance with subsection (5). The carryforward or transferred credit may be used in the year approved or any of the 5 subsequent taxable years in which the credit was earned, when the tax imposed by Chapter 220, F.S., for that

taxable year exceeds the credit for which the qualifying railroad or transferee is eligible in that taxable year, after applying the other credits and unused carryovers in the order provided by Section 220.02(8), F.S.

~~(a) If the qualifying railroad is a taxpayer under Chapter 220, F.S., the Department will notify the qualifying railroad by letter within 30 days after the receipt of a completed Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit (Form F 11915), indicating the amount of credit that may be carried forward or transferred.~~

~~(b) If the qualifying railroad is not a taxpayer under Chapter 220, F.S., the Department will notify the qualifying railroad by letter within 30 days after the receipt of completed Form F 11915, indicating the amount of credit that may be transferred.~~

~~(a)(e)1-~~ Amounts that exceed the limitation of \$3,500 multiplied by the number of miles of railroad track owned or leased in Florida by the qualifying railroad as of the end of the calendar year prior to the taxable year in which the qualified expenditures were incurred, as provided in subsection (2), may not be carried forward to a subsequent taxable year or transferred.

~~(b)2-~~ Example: Qualifying railroad Corporation A ~~is a taxpayer under Chapter 220, F.S., that~~ incurs \$20,000 of qualified expenditures during its taxable year. Corporation A owns 2 miles of railroad track within Florida as of the end of the calendar year prior to the its taxable year in which the qualified expenditures are incurred. Corporation A's credit is equal to 50 percent of the \$20,000 qualified expenditures incurred in the taxable year but may not exceed \$3,500 multiplied by the number of miles owned or leased in Florida at the end of the calendar year prior to the its taxable year with the qualified expenditures.

Credit computation: $50\% \times \$20,000 = \$10,000$ but may not exceed \$7,000 ($\$3,500 \times 2$ miles of railroad track).

Therefore, Corporation A receives a \$7,000 credit for qualified railroad reconstruction or replacement expenditures.

The amount of computed credit exceeding the limitation amount ($\$3,000 = \$10,000 - \$7,000$) cannot be used, carried forward, or transferred.

~~When it files its Florida Corporate Income/Franchise Tax Return (Form F 1120), Corporation A has \$5,000 tax due after application of all credits required to be claimed prior to application of the credit for qualified railroad reconstruction or replacement expenditures. Assuming the Department does not have to make any adjustments to Corporation A's Form F 1120, the Department will issue a letter to Corporation A indicating that the amount of credit available to carry forward or transfer is \$2,000 ($\$7,000 - \$5,000$).~~

(5) Transfer of credit. ~~Any~~ For taxable years beginning on or after January 1, 2023, an unused credit may be transferred, in whole or in part. The transfer of a credit does not affect the time limit for taking the credit, and the credit is subject to the same limitations imposed on the transferor in accordance with subsection (4). Transferred credits received by the transferee may only be used on tax returns with a due date or extended due date on or after the date of transfer.

(a) Credits may be transferred to a taxpayer subject to the tax under Chapter 220, F.S., and that either transports property using the rail facilities of ~~any~~ the qualifying railroad, or furnishes railroad-related property or services ~~to any railroad operating in Florida, or is a railroad~~, as those terms are defined in 26 C.F.R. s. 1.45G-1(b) (March 18, 2018), and herein incorporated by reference (<http://www.flrules.org/Gateway/reference.asp?No=Ref-16071>), to any railroad operating in Florida, or is a railroad. A copy of this regulation is available from the Department at https://floridarevenue.com/taxes/taxesfees/Pages/corp_tax_incent.aspx.

(b) No change.

(c) No change.

(6) No change.

Rulemaking Authority 213.06(1), 220.1915(7) FS., s. 61, Ch. 2024-158, LOF. Law Implemented 220.02(8), 220.1915 FS., s. 40, Ch. 2024-158, LOF. History—New 12-3-23, ____.

12C-1.051 Forms.

(1)(a) The following forms and instructions are used by the Department in its administration of the corporate income tax and franchise tax. These forms are hereby incorporated by reference in this rule.

(b) No change.

Form Number	Title	Effective Date
(2) through (4) No change.		
(5)(a) F-1120	Florida Corporate Income/Franchise Tax Return (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 6279)	__ 01/24
(b) F-1120N	Instructions for – Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, 2024 2023 (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 46284)	__ 01/24
(6) through (8) No change.		

(9)(a) F-11915	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit (N-01/24) (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 16044)	<u>07/24</u> 11/23
(b) F-11915T	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Notice of Intent to Transfer a Credit (N-01/24) (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 16045)	<u>07/24</u> 11/23
(10) through (13) No change.		
<u>(14) F-11992</u>	Florida Individuals with Unique Abilities Tax Credit Program Application for Tax Credit (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX)	—
<u>(15)(14) F-2220</u>	Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 16283)	— <u>01/24</u>
<u>(16)(15)</u> No change.		

Rulemaking Authority 213.06(1), 220.1915(7), 220.192(7), 220.193(4), 220.196(4), 220.198(6), 220.51, 1002.395(13) FS. Law Implemented 119.071(5), 212.08(5)(p), 213.37, 213.755(1), 220.11, 220.12, 220.13(1), (2), 220.15, 220.16, 220.183, 220.184, 220.1845, 220.185, 220.186, 220.1875, 220.1895, 220.1896, 220.1899, 220.191, 220.1915, 220.1915, 220.193, 220.194, 220.195, 220.196, 220.198, 220.1991, 220.21, 220.211, 220.22, 220.221, 220.222, 220.23, 220.24, 220.241, 220.31, 220.32, 220.33, 220.34, 220.41, 220.42, 220.43, 220.44, 220.51, 220.721, 220.723, 220.725, 220.737, 220.801, 220.803, 220.805, 220.807, 220.809, 221.04, 624.5105, 624.51055, 1002.395 FS., ss. 36, 39, 40, 41, 44, 55, Ch. 2024-158, LOF. History—New 9-26-77, Amended 12-18-83, Formerly 12C-1.51, Amended 12-21-88, 12-31-89, 1-31-91, 4-8-92, 12-7-92, 1-3-96, 3-18-96, 3-13-00, 6-19-01, 8-1-02, 6-19-03, 3-15-04, 9-24-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 4-26-10(12)(a), (b), 4-26-10(13)(a), (b), 6-28-10, 1-12-11, 6-6-11, 1-25-12, 1-17-13, 3-12-14, 1-19-15, 1-11-16, 1-10-17, 1-17-18, 1-8-19, 12-12-19, 5-23-22, 1-1-23, 11-21-23, 1-1-24,_____.