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**DEPARTMENT OF REVENUE**

**Corporate, Estate and Intangible Tax**

<b>RULE NOS.:</b>	<b>RULE TITLES:</b>
12C-1.01915	Credit for Qualified Railroad Reconstruction or Replacement Expenditures
12C-1.0193	Florida Renewable Energy Production Credit
12C-1.051	Forms

**PURPOSE AND EFFECT:** The purpose of the proposed amendments to Rule 12C-1.01915, F.A.C. (Credit for Railroad Reconstruction or Replacement Expenditures), and to the two forms used to administer this tax credit incorporated by reference in Rule 12C-1.051, F.A.C. (Forms), is to reflect the provisions of section 220.1915, F.S., as amended by section 40, Chapter 2024-158, L.O.F., and to remove the provisions rendered obsolete. The purpose of the proposed repeal of Rule 12C-1.0193, F.A.C. (Florida Renewable Energy Production Credit) is to remove this obsolete rule from the Florida Administrative Code. The purpose of the proposed amendments to Rule 12C-1.051, F.A.C. (Forms), is to adopt a new form to implement section 220.1992, F.S., Individuals with Unique Abilities Tax Credit Program, created by section 41, Chapter 2024-158, L.O.F.; to provide for claiming at tax credit under the Child Care Tax Credits program, created by sections 36, 39, 44, and 55, Chapter 2024-158, L.O.F.; to reflect the provisions of section 220.199, F.S., Residential graywater system tax credit, created by section 32, Chapter 2023-157, L.O.F.; and to adopt

updates to Florida corporate income/franchise tax returns to reflect these law changes and to remove obsolete provisions. **SUMMARY:** The proposed amendments to Rule 12C-1.01915, F.A.C. (Credit for Qualified Railroad Reconstruction or Replacement Expenditures) provide that the calculation of the tax credit is based on the track miles owned or leased by a qualifying railroad on the last day of the prior calendar year. An application for the tax credit may be submitted to the Department once the qualified expenditures are incurred during the taxable year, but no later than May 1 of the following calendar year. Qualifying railroads are limited to one application each taxable year. The requirement to include a copy of federal Form 8900, Qualified Railroad Track Maintenance Credit, or its equivalent, with an application for tax credit is amended to provide that a copy of the federal form is to be submitted to the Department within 60 days of submitting the form to the Internal Revenue Service. The Department will issue a letter to the applicant indicating the amount of the approved credit within 30 days of receiving a completed application. Any credits approved by the Department may be used in the taxable year of approval and in any of the five subsequent taxable years. Tax credits may be transferred immediately upon approval by the Department. Taxpayers receiving a transferred tax credit may only use the tax credit on tax returns with a due date, or extended due date, after the date of transfer.

Rule 12C-1.0193, F.A.C., (Florida Renewable Energy Production Credit), is obsolete and proposed for repeal. The credit may no longer be claimed by taxpayers (including any carryovers).

The proposed amendments to Rule 12C-1.051, F.A.C. (Forms), adopt, by reference, new Form F-11992, Florida Individuals with Unique Abilities Tax Credit Application for Tax Credit, changes to two forms used to administer the tax credit for qualified railroad expenditures, and changes to annual corporate income/franchise tax returns effective in 2024 and to remove obsolete provisions.

**SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:**

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section

120.541(1), F.S.; and 2) based on past experiences regarding rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 213.06(1), 220.1912, 220.1915(7), 220.192(7), 220.193(4), 220.196(4), 220.198(6), 220.51, 402.261(7)(a), 1002.395(12) FS.

LAW IMPLEMENTED: 213.37, 213.755(1), 220.02(8), 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, 220.19, 220.191, 220.1915, 220.193, 220.194, 220.195, 220.196, 220.198, 220.199, 220.1991, 220.1992, 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, 402.261, 624.5105, 624.51055, 624.5107, 624.509, 1002.395 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: January 14, 2025; 9:00 a.m.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1221, Tallahassee, Florida 32399.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 48 hours before the workshop/meeting by contacting: Tonya Fulford at (850)717-6799. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Martha Gregory, Office of Technical Assistance, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6041, email RuleComments@floridarevenue.com.

THE FULL TEXT OF THE PROPOSED RULE IS:

**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 ~~on~~ 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\\_inc\\_ent.aspx](https://floridarevenue.com/taxes/taxesfees/Pages/corp_tax_inc_ent.aspx).

(b) through (c) No change.

(6) No change.

Rulemaking Authority 213.06(1), 220.1915(7) FS. Law Implemented 220.02(8), 220.1915 FS. History—New 12-3-23,\_\_\_\_\_.

The following rule is hereby repealed:

**12C-1.0193 Florida Renewable Energy Production Credit.**

Rulemaking Authority 213.06(1), 220.193, 220.51 FS. Law Implemented 213.35, 220.02(8), 220.03(1), 220.131, 220.193, 220.21 FS. History—New 4-26-10, Amended 1-17-13, Repealed \_\_\_\_\_.

**12C-1.051 Forms.**

(1) No change.

Form Number	Title	Effective Date
(2) through (4) No change.		
(5)(a) F-1120	Florida Corporate Income/Franchise Tax Return ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6279">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6279</a> )	<del>XX/X</del> <u>X</u> <del>01/24</del>
(b) F-1120N	Instructions for — Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, <del>2024</del> <u>2023</u> ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6281">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6281</a> )	<del>XX/X</del> <u>X</u> <del>01/24</del>
(6) through (8) No change.		
(9)(a) F-11915	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit ( <del>N-01/24</del> ) ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6044">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6044</a> )	<del>07/24</del> <del>11/23</del>
(b) F-11915 T	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Notice of Intent to Transfer a Credit ( <del>N-01/24</del> ) ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6045">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6045</a> )	<del>07/24</del> <del>11/23</del>
(10) through (13) No change.		
(14) F-11992	Florida Individuals with Unique Abilities Tax Credit Program Application for Tax Credit ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX</a> )	<del>XX/X</del> <u>X</u>
(15)( <del>4</del> ) F-2220	Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax ( <a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6283">http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX+6283</a> )	<del>XX/X</del> <u>X</u> <del>01/24</del>
(16)( <del>15</del> ) No change.		

Rulemaking Authority 213.06(1), 220.1915(7), 220.192(7), 220.193(4), 220.196(4), 220.198(6), 220.51, 402.261(7)(a),

1002.395(12)(~~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, 220.199, 220.1991, 220.1992, 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, 402.261, 624.5105, 624.51055, 1002.395 FS. 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,\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE:  
Martha Gregory  
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Governor and Cabinet  
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: December 17, 2024  
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: August 1, 2024

[REDACTED]