



Tax Information Publication

TIP

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The new law discussed below does not address the One Big Beautiful Bill Act (Public Law 119-21), which was enacted after the 2025 Florida legislative session ended. The Florida Legislature will have the opportunity to consider the One Big Beautiful Bill Act amendments to the Internal Revenue Code, including the federal treatment of bonus depreciation, during its next regular legislative session, which is scheduled to begin in January 2026.

Florida Corporate Income Tax Adoption of 2025 Internal Revenue Code

Each year, the Florida Legislature must consider adopting the current Internal Revenue Code (Title 26, United States Code) to ensure that certain tax definitions and the calculation of adjusted federal income will be consistent between the Internal Revenue Code (IRC) and the Florida Income Tax Code (chapter 220, Florida Statutes [F.S.]). The Florida corporate income tax “piggybacks” federal income tax determinations and uses adjusted federal income as the starting point for computing Florida net income.

This year, sections 60-61 of ch. 2025-208, Laws of Florida, amend the Florida Income Tax Code to adopt the IRC retroactively to January 1, 2025. This means Florida will follow the computation of federal taxable income. However, section 220.13(1)(e), F.S., continues to require several modifications to federal taxable income, including:

- **Bonus depreciation** – An addition is required equal to the amount deducted as bonus depreciation under s. 168(k), IRC (the “addback”), for assets placed in service before January 1, 2027. Amounts required to be added to federal taxable income for bonus depreciation are provided back to a taxpayer through an annual subtraction over a seven-year period, equal to one-seventh of the amount of the addition, beginning with the taxable year of the addition.
- **Qualified improvement property placed in service on or after January 1, 2018** – An addition is required equal to the amount of federally deducted depreciation of qualified

improvement property, as defined in s. 168(e)(6), IRC, whether depreciated under s. 167(a), IRC, or bonus depreciated under s. 167 or s. 168(k), IRC. There is a corresponding Florida subtraction for the depreciation that would have been allowed under the IRC in effect on January 1, 2020, without the retroactive change made by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and without taking into account any sale or other disposition of the property.

- **Business meal expenses** – An addition is required equal to the amount federally deducted in excess of the amount allowed prior to changes made to the IRC by Public Law 116-260, Division EE, Title II, s. 210, making business meals provided by a restaurant 100% deductible.
- **Film, television, and live theatrical production expenses** – An addition is required equal to the amount of the deduction taken on the federal return under s. 181, IRC. The corresponding subtraction is equal to the amount that would have been allowed without application of s. 181, IRC, if any.

For more information, review [TIP #21C01-01R](#).

Federal Credits

Florida does not allow any adjustment to federal taxable income for federal credits unless specifically stated in the Florida Statutes. Section 220.13(1)(b)3., F.S., allows a deduction for wages and salaries paid in Florida when a federal deduction is not allowed pursuant to s. 280C(a), IRC. However, for other federal credits, a Florida deduction is not included in the Florida Statutes and therefore not allowed.

Florida Credits

Visit the Department of Revenue's [Florida Tax Incentives for Businesses webpage](#) for more information on credits that may be applied against Florida corporate income tax.

NEW: Rural Community Investment Program – Applicable to taxable years that begin within the 2025-29 calendar years, this credit is available against Florida corporate income tax or insurance premium tax to taxpayers who make investor contributions in a rural fund. Additional information and credit applications are provided at the Florida Department of Commerce's website: floridajobs.org/community-planning-and-development/rural-community-investment-program.

NEW: Home Away From Home Tax Credit – Applicable to taxable years that begin within the 2026-31 calendar years, this credit is available against specific Florida taxes, including corporate income tax, for taxpayers that make private monetary contributions to eligible charitable organizations that house families of critically ill children receiving treatment, at minimal to no cost to the family. Taxpayers may apply to the Department of Revenue for an allocation of credit beginning January 2, 2026, at 9 a.m. ET. The fastest and easiest way to apply for a tax credit allocation is by visiting the Department’s [Multi-Tax Credits](#) webpage. Eligible charitable organization(s) are designated by the Florida Department of Health and identified on its website at floridahealth.gov/programs-and-services/childrens-health/HAFH/index.html. Refer to [TIP #25ADM-02](#) for more information.

Definition of Corporation

Applicable to tax years beginning January 1, 2026, and later, charitable trusts are not included in the definition of “corporation” provided in s. 220.03(1)(e), F.S. Charitable trusts will no longer be required to file a *Florida Corporate Income/Franchise Tax Return (Form F-1120)* starting with tax year 2026. Charitable trusts that currently file Form F-1120 may visit the Department of Revenue’s [Request a Change of Business Name, Address, and/or Account Status webpage](#) to request a change of account status for corporate income tax. Select the “In Business, but Not Required to File” button and enter the last day of the final taxable year the charitable trust was required to file in Florida for the effective date.

References: Sections 220.03, 220.13, 288.062, and 402.63, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at **floridarevenue.com** or call Taxpayer Services at (850) 488-6800, Monday through Friday (excluding holidays).

For a written reply to tax questions, email **fdortaxpayerservices@floridarevenue.com**.

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