



Florida Corporate Income Tax Adoption of 2022 Internal Revenue Code

Each year, the Florida Legislature must consider adopting the current Internal Revenue Code (Title 26, United States Code) to ensure 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 26-27, Chapter 2022-97, Laws of Florida, amend the Florida Income Tax Code to adopt the IRC retroactively to January 1, 2022. This means Florida will follow the computation of federal taxable income. However, section (s.) 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 ss. 167 or 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](#).

Tax Rate

For taxable years beginning on or after January 1, 2022, the Florida corporate income/franchise tax rate is 5.5%. The prior year exception computation for estimated payments will also use this tax rate to determine the minimum required payment necessary to meet the prior year exception. For more information, review [TIP 21C01-02](#).

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.

References: Sections 26-27, Chapter 2022-97, Laws of Florida; Sections 220.03, 220.11, 220.13, and 220.34, 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 detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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