

Income/Franchise:

Florida DOR Explains Updated State Conformity to Internal Revenue Code and Decoupling Provisions

Tax Information Publication (TIP) No. 21C01-01, Fla. Dept. of Rev. (7/30/21). The Florida Department of Revenue (Department) issued guidance reflecting new law [see H.B. 7059 and previously issued Multistate Tax Alert for more details on this 2021 legislation] that generally updates corporate income tax statutory references in Florida to conform to the Internal Revenue Code (IRC) provisions as in effect on January 1, 2021, but which also decouples from some federal tax provisions including those involving IRC sections 163(j) (*i.e.*, limitations on the deduction of business interest expenses), 168(e) (*i.e.*, qualified improvement property (QIP)), and 172 (*i.e.*, net operating loss deductions). In doing so, the Department explains that some taxpayers may have already filed a Florida corporate income/franchise tax return under a different basis than what is contained in this guidance, and if so, such taxpayers “should file Amended Florida Corporate Income/Franchise Tax Return(s), Form F-1120X, and explain the reason for the amendment.” The Department states that it will work with these taxpayers “to resolve any penalty imposed on such amended return(s) that are a direct result of these items.” Please contact us with any questions.

URL: https://floridarevenue.com/taxes/tips/Documents/TIP_21C01-01.pdf

URL: <https://www.flsenate.gov/Session/Bill/2021/7059>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-florida-updates-internal-revenue-code-conformity-while-decoupling-from-certain-federal-provisions.pdf>

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