



## Tax Information Publication

# TIP

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### Florida Corporate Income Tax Adoption of 2024 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 37-38 of chapter 2024-158, Laws of Florida, amend the Florida Income Tax Code to adopt the IRC retroactively to January 1, 2024. This means Florida will follow the computation of federal taxable income. However, 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](#).

#### 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.

**Strong Families Tax Credit** – The program cap is increased from \$20 million to \$40 million per state fiscal year, beginning with state fiscal year 2024-25.

**New: Child Care Tax Credits Program** – Applicable to taxable years that begin within the 2024, 2025, and 2026 calendar years, these credits are available against specific Florida taxes, including Florida corporate income tax, for taxpayers that:

- Establish an eligible child care facility for employees;
- Operate an eligible child care facility for employees; or
- Pay an eligible child care facility in the name and for the benefit of an employee

See [TIP 24ADM-03](#) for more information.

**New: Individuals with Unique Abilities Tax Credit Program** – Applicable to taxable years that begin within the 2024, 2025, and 2026 calendar years, this credit is available to a qualified taxpayer that employs a qualified employee during the taxable year. A “qualified employee” means an individual who has a physical or intellectual impairment that substantially limits one or more major life activities. The individual must have been employed by the qualified taxpayer for at least six months. See [TIP 24C01-01](#) for more information.

**New: Residential Graywater System Tax Credit** – Applicable to taxable years that begin within the 2024, 2025, and 2026 calendar years, this credit is available to a developer or homebuilder for up to 50% of the cost of each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. Additional information is provided at the Florida Department of Environmental Protection's [website](#).

**References: Chapter 2024-158, Laws of Florida; Sections 220.03, 220.13, 220.1877, 220.19, 220.199, 220.1992, 402.261, and 402.62, 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](http://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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