Instructions for Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, 2026

F-1120N
R. 01/27
Rule 12C-1.051, F.A.C.
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What's New?

Adoption of 2026 Internal Revenue Code (IRC)
Sections 1 and 3 of chapter 2026-137, Laws of Florida, amend the definition of "Internal Revenue Code" provided in s. 220.03(1)(n) of the Florida Income Tax Code [chapter 220, Florida Statutes (F.S.)] to adopt the IRC retroactively to January 1, 2026. This means Florida will follow the computation of federal taxable income except for several sections from which Florida is specifically decoupling.

For more information, refer to the instructions for Line 1 – Federal Taxable Income on page 5.

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.

To learn more about this credit, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link.

Child Care Tax Credits – The program has been extended through state fiscal year 2027-28 and allocations of credit are available for an additional year.

To learn more about this credit, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link.

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 go to **floridarevenue.com/taxes/updateaccount** 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.

Save Time and Paperwork with Electronic Filing

You can file and pay your *Florida Corporate Income/Franchise Tax Return* (Florida Form F-1120) electronically through the Internal Revenue Service's (IRS) Modernized e-File (MeF) Program using electronic transmitters approved by the IRS and the Florida Department of Revenue. The Department also has an online application for corporate income tax payments and filing Florida forms F-1120ES (*Declaration/Installment of Florida Estimated Income/Franchise Tax*) and F-7004 (*Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*).

You must file and pay electronically if you paid $5,000 or more in corporate income tax during the State of Florida's prior fiscal year (July 1 – June 30). You must also file and pay electronically if you were required to file your federal income tax return electronically.

We encourage you to enroll for eServices. When you enroll in our eServices program you will receive a user ID and password. Advantages to enrolling are:

- your bank account and contact information are saved
- the ability to view your filing history
- the ability to reprint your returns
- the ability to view bills posted to your account

Please visit the Department's website at **floridarevenue.com/taxes/eservices** for more information.

If you change your business name, location or mailing address, or close or sell your business, immediately notify the Department. The quickest way to notify us is online. Go to **floridarevenue.com/taxes/updateaccount**.

Who Must File a Florida Corporate Income/Franchise Tax Return?

- **All corporations** (including tax-exempt organizations) doing business, earning income, or existing in Florida.
- **Every bank and savings association** doing business, earning income, or existing in Florida.
- **All associations or artificial entities** doing business, earning income, or existing in Florida.
- **Foreign (out-of-state) corporations** that are partners or members in a Florida partnership or joint venture. A "Florida partnership" is a partnership doing business, earning income, or existing in Florida.

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- **A limited liability company (LLC)** classified as a **corporation** for Florida and federal income tax purposes is subject to the Florida Income Tax Code and must file a Florida corporate income tax return.
- **An LLC** classified as a **partnership** for Florida and federal income tax purposes must file a *Florida Partnership Information Return* (Florida Form F-1065) if one or more of its owners is a corporation. In addition, the corporate owner of an LLC classified as a partnership for Florida and federal income tax purposes must file a Florida corporate income tax return.
- **A single member LLC** disregarded for Florida and federal income tax purposes is not required to file a separate Florida corporate income tax return. The income must be reported on the owner's return if the single member LLC is owned, directly or indirectly, by a corporation. The corporation must file Florida Form F-1120, reporting its own income and the income of the single member LLC, even if the only activity of the corporation is ownership of the single member LLC.
- **Homeowner and condominium associations** that file federal Form 1120 (*U.S. Corporation Income Tax Return*) must file Florida Form F-1120 regardless of whether any tax may be due. If you file federal Form 1120-H (*U.S. Income Tax Return for Homeowners Associations*), you are not required to file a Florida return.
- **Political organizations** that file federal Form 1120-POL.
- **S corporations** that pay federal income tax on Line 23c of federal Form 1120S.
- **Tax-exempt organizations** that have "unrelated trade or business taxable income" for federal income tax purposes are subject to Florida corporate income tax and must file Florida Form F-1120.

Using Software to Prepare Your Return

If you use commercial software to prepare and file your paper return:

- The Florida Department of Revenue must approve all vendor software that develops paper tax forms. Ask the vendor for proof that you are using approved software.
- Make sure that the software is for the correct year. You cannot use 2025 software to produce 2026 tax forms.

Visit **floridarevenue.com/taxes/eservices** and select "Software Vendors for eFiling" to obtain a list of approved software vendors.

When to File and Pay

When is Florida Form F-1120 Due?

Generally, Florida Form F-1120 is due the later of:

(1) On or before the first day of the fifth month following the close of the tax year. For example, for a taxpayer with a tax year that ends December 31, 2026, the Florida Form F-1120 is due on or before May 1, 2027; or
(2) The 15th day following the due date, without extension, for the filing of the related federal return for the taxable year. For example, if the federal return is due on May 15, the related Florida Form F-1120 is due on June 1.

You must file a return, even if no tax is due.

If the due date falls on a Saturday, Sunday, or federal or state holiday, the return is considered to be filed on time if postmarked on the next business day. For a calendar of filing due dates for Florida corporate income tax returns, go to **floridarevenue.com/taxes/cit/duedates**.

If you **electronically pay**, you must initiate electronic payments and receive a confirmation number no later than 5 p.m. ET on the business day **prior to the due date** to avoid penalty and interest. See the *Florida eServices Calendar of Electronic Payment Deadlines* (DR-659) at **floridarevenue.com/forms** in the eServices section for due dates.

Note: A late-filed return will subject a corporation to penalty, whether or not tax is due.

Extension of Time to File

To apply for an extension of time for filing Florida Form F-1120, you must complete Florida Form F-7004, *Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*. To obtain Florida Form F-7004, see "Contact Us" on page 16.

You can file Florida Form F-7004 electronically through the IRS MeF Program or online. Go to the Department's website for more information.

You must file Florida Form F-7004 to extend your time to file. A copy of your federal extension alone will not extend the time for filing your Florida return. See Rule 12C-1.0222, Florida Administrative Code (F.A.C.), for information on the requirements that must be met for your request for an extension of time to be valid.

You must file Florida Form F-7004 and pay all the tax due (tentative tax) on or before the original due date of Florida Form F-1120. An extension of time will be void if:
1) Your tentative tax due is not paid.
2) You underpay your tax by the greater of $2,000 or 30% of the tax shown on Florida Form F-1120 when filed.

Extensions are valid for six months. Only one extension may be granted per tax year.

Payment of Tax

You must pay the amount of tax due, as shown on Line 17 of the return, and either file your return or extension of time by the original due date. Make payments in U.S. funds. Penalties and interest apply to late payments.

Using Payment Credits

When a corporation makes payment using payment credits from a different Federal Employer Identification Number (FEIN), the following documentation is required:

- Written authorization, including an original signature of a corporate officer, from the corporation or entity that made the payment.
- The FEIN and complete names of the corporations or entities involved.
- The applied period (taxable year-end) for the payment credits you are requesting to transfer.
- The type of credit and the amount of payment credit you are requesting to transfer.

Where to Send Payments and Returns

Make checks payable to and send with your return to:

Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0135

If you are requesting a refund (Line 19), send your return to:

Florida Department of Revenue
PO Box 6440
Tallahassee FL 32314-6440

Penalties

Late-Filed Return – The penalty for a return filed late is 10% per month, or fraction thereof, not to exceed 50% of the tax due with the return. If no tax is due and you file late, the penalty is $50 per month or fraction thereof, not to exceed $300.

Underpayment of Tentative Tax – The penalty for underpayment of tentative tax is 12% per year during the extension period on the underpaid amount. You must calculate the penalty from the original due date of the return.

Underpayment of Estimated Tax – The penalty for underpayment of estimated tax is 12% per year. If you underpay your estimated tax, complete Florida Form F-2220, *Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax,* and attach it to Florida Form F-1120 (see Line 14 instructions).

Incomplete Return – For an incomplete return, the penalty is the greater of $300 or 10% of the tax finally determined to be due, not to exceed $10,000. An incomplete return is one that the Department cannot readily handle, verify, or review.

Fraudulent Return – The penalty for filing a false or fraudulent return is 100% of the deficiency.

Electronic Filing – The penalty is 5% of the tax due for each month the return is not filed electronically. The penalty cannot exceed $250 in total. If no tax is due, the penalty is $10.

Interest

A floating rate of interest applies to underpayments, late payments, and overpayments of corporate income tax. The floating interest rate is updated on January 1 and July 1 of each year by using the formula established in s. 220.807, F.S. For information on current and prior period interest rates, visit **floridarevenue.com/taxes/rates**.

Required Attachments

Attach a copy of the actual federal income tax return filed with the IRS.

You must also attach copies of federal Forms 4562, 851 (or Florida Form F-851), 1122, 1125-A, Schedule D, Schedule M-3, and any supporting details for Schedules M-1 and M-2. Attach other supporting schedules if requested in these instructions.

Do not detach the coupon located at the bottom of the first page of your Florida Form F-1120 or your account may not be properly credited.

You may use additional sheets if the lines on Florida Form F-1120 or on any schedules are not sufficient. The additional sheets must contain all the required information and follow the format of the schedules on the return. Enter the taxpayer's name and FEIN on all sheets exactly as they appear on the front page of Florida Form F-1120.

Taxable Year and Accounting Methods

The taxable year and method of accounting must be the same for Florida income tax as it is for federal income tax. If you change your taxable year or your method of accounting for federal income tax, you must also change the taxable year or method of accounting for Florida income tax.

Rounding Off to Whole-Dollar Amounts

Whole-dollar amounts may be entered on the return and accompanying schedules. To round off dollar amounts, drop amounts less than 50 cents to the next lowest dollar and increase amounts from 50 cents to 99 cents to the next highest dollar. If you use this method on the federal return, you must use it on the Florida return.

Federal Employer Identification Number

If you do not have an FEIN, obtain one from the Internal Revenue Service. You can:

- Apply online at **irs.gov**
- Apply by mail with IRS Form SS-4. To obtain this form, download or order it from **irs.gov** or call (800) 829-3676.

To Amend a Return

You must complete a Florida Form F-1120X, *Amended Florida Corporate Income/Franchise Tax Return*, to amend your Florida corporate income tax return if:

- You file an amended federal return.
- A redetermination of federal income is made (for example, through an audit adjustment), and the adjustments would affect net income subject to the Florida corporate income/franchise tax.

Go to **floridarevenue.com/forms** in the Corporate Income Tax section for Florida Form F-1120X with instructions.

Estimated Tax (Florida Form F-1120ES)

Who Must Make Estimated Tax Payments?

If you expect the amount of your income tax liability for the year to be **more than $2,500**, you must make a declaration of estimated tax for the taxable year. Use Florida Form F-1120ES, *Declaration/Installment of Florida Estimated Income/Franchise Tax* to declare and pay estimated tax. To determine if a declaration and payment of estimated tax is required, complete the *Estimated Tax Worksheet* on page 6 of the Florida Form F-1120.

Due Dates for Declaration and Payment

Make your estimated tax payments in four equal installments. For calendar year filers payments are due on May 31, June 30, September 30, and December 31. To obtain Florida Form F-1120ES, visit **floridarevenue.com/forms** in the Corporate Income Tax section. The Department does not send reminder notices for estimated tax installments. Do not annualize your payments. For a calendar of filing due dates for Florida corporate income tax returns, go to the Department's website at **floridarevenue.com/taxes/cit/duedates**.

To pay estimated tax, go to **floridarevenue.com/taxes/filepay** and select corporate income tax. If filing and/or paying electronically, see the *Florida eServices Calendar of Electronic Payment Deadlines* (Form DR-659).

Short Taxable Years

You must file a separate declaration (Florida Form F-1120ES) when a return is required for a period of less than 12 months, unless the short period is less than four months or the requirement is first met after the first day of the last month in the short taxable year. When determining if you must file a declaration of estimated tax for a short taxable year that results from a change in annual accounting period, you must annualize your net income for the short period. Multiply the short year's income by 12 and divide the result by the number of months in the short period. If the tax due based on this income is greater than $2,500, a declaration is required.

Amended Declaration (Florida Form F-1120ES)

You must base your declaration of estimated tax upon a reasonable projection of tax liability. Circumstances may develop during the year that warrant a revision of the original estimated tax. If the revised estimate differs materially from the original estimate, file an amended declaration on or before the next installment due date.

Underpayments of Estimated Tax

If you underpay estimated tax, penalty and interest apply (see "Penalties" and "Interest" and the instructions for Line 14 on page 6).

Special Instructions

Consolidated Returns

The privilege of electing to file a Florida consolidated income tax return is limited to an affiliated group where **the parent corporation is subject to the Florida Income Tax Code** and:

1. The affiliated group must have filed a consolidated return for federal income tax purposes.
2. The affiliated group electing to file a Florida consolidated return must be identical to the affiliated group filing the federal consolidated return.
3. In the initial year of election, you must complete Florida Form F-1122, *Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return* for each affiliated member. Attach the form to the Florida consolidated return.
4. In subsequent years, a completed Florida Form F-1122 must be attached for each new member of the affiliated group.
5. A copy of federal Form 851 or Florida Form F-851 (*Corporate Income/Franchise Tax Affiliations Schedule*) must be attached.
6. You must make the election by the due date of the return, including properly filed extensions.

The filing of a Florida consolidated tax return for any taxable year requires the filing of a consolidated return for all subsequent years, including subsequent additions to the group, even if the parent subsequently is not subject to Florida tax. For more information, see section 220.131, F.S., and Rule 12C-1.0131, F.A.C.

Florida Net Operating Loss Carryover Deduction (NOLD)

You may not carry back a Florida net operating loss as a deduction to a prior taxable year. A net operating loss must be carried over to subsequent taxable years and treated in the same manner, to the same extent, and for the same time periods prescribed in s. 172, IRC. The Florida carryover to future tax years is limited to the amount of the federal net operating loss multiplied by the Florida apportionment fraction. However, adjustments such as those listed in s. 220.13(1)(e), F.S., may increase the amount of the Florida carryover. See Rule 12C-1.013(15), F.A.C.

Note: If you have other Florida carryover deductions, apply them first before applying your Florida NOLD.

When claiming your Florida NOLD, the following limitations also apply.

- Florida net operating losses generated in taxable years beginning **before** January 1, 2018, are carried forward up to 20 taxable years.
- Florida net operating losses generated in taxable years beginning **after** December 31, 2017, are carried forward indefinitely until used and never expire.
- For taxable years beginning **before** January 1, 2021, a Florida net operating loss deduction may be taken against 100% of Florida tentative apportioned adjusted federal income.
- For taxable years beginning **after** December 31, 2020, a Florida net operating loss deduction may be taken as follows:
  - First, any carryover(s) generated in a taxable year beginning **before** January 1, 2018, is applied against 100% of Florida tentative apportioned adjusted federal income;
  - Then, any carryover(s) generated in a taxable year beginning **after** December 31, 2017, is applied against 80% of the remaining Florida tentative adjusted federal income.

To support a Florida NOLD, attach a **schedule** showing the following information, as applicable:

- Tax Year
- Adjusted Federal Loss
- Apportionment Fraction for the Year of Loss
- Florida Apportioned Income/Loss
- Net Operating Loss Carryover (NOLCO) Applied
- Florida Portion of Adjusted Federal Income
- Net Operating Loss Carry Forward to Next Year

See Examples of Florida Net Operating Loss Carry Forward Schedules on page 16.

Include the Florida net operating loss carryover deduction available on either Schedule II or IV.

If you conduct all of your business in Florida, you must enter the Florida net operating loss carryover deduction available on Schedule II, Line 3.

If you are doing business outside Florida, you must enter zero (0) on Schedule II, Line 3, and the amount of the NOLD on Schedule IV, Line 4.

Florida Net Capital Loss Carryover Deduction

You may not carry back a Florida net capital loss as a deduction to a prior taxable year. A net capital loss must be carried over to subsequent tax years and treated in the same manner, to the same extent, and for the same periods prescribed in s. 1212, IRC.

The Florida subtraction for net capital loss carryovers is limited to the portion of the carry forward apportioned to Florida using the apportionment fraction for the year in which the loss occurred.

To support a deduction, you must attach a **schedule** showing how you computed the deduction:

- Year(s) of loss,
- Apportionment fraction for the taxable year in which the loss occurred, and
- Amount of the carryover(s) previously deducted.

If you conduct all of your business in Florida, you must enter the Florida net capital loss carryover on Schedule II, Line 4.

If you are doing business outside Florida, you must enter zero (0) on Schedule II, Line 4, and the Florida portion of net capital loss carryover on Schedule IV, Line 5.

Florida Excess Contribution Carryover Deductions

The excess contribution deductions may not create or increase a net operating loss for Florida. The Florida excess contribution deduction is the lesser of:

- the federal excess contribution limitation apportioned to Florida in the current year **or**
- the Florida excess contribution carryover.

To support a deduction, you must attach a **schedule** showing how you computed the deduction:

• Year(s) of federal excess contributions,
• Actual contributions made,
• Federal contribution limitation,
• Amount of excess contributions,
• Florida apportionment fraction for the taxable year(s),
• Apportioned excess contribution to be carried over, and
• Amount of the carryover(s) previously deducted.

Any unused federal limitation must be apportioned as well.

If you conduct all of your business in Florida, you must enter the Florida excess charitable contribution carryover on Schedule II, Line 5, and the Florida employee benefit plan contribution carryover on Schedule II, Line 6.

If you are doing business outside Florida, you must enter zero (0) on Schedule II, Lines 5 and 6. You must enter the Florida portion of your excess charitable contribution carryover on Schedule IV, Line 6, and the Florida portion of your excess employee benefit plan contribution carryover on Schedule IV, Line 7.

Line-by-Line Instructions for Completing Florida Form F-1120

Instructions are numbered to correspond with the appropriate schedule and line numbers.

Computation of Florida Net Income Tax

Chapter 220, F.S., provides that corporations and other entities base Florida net income on federal taxable income with certain modifications. Such modifications include Florida additions and subtractions, apportionment, and the Florida exemption.

Line 1 - Federal Taxable Income
Generally, corporations should enter the amount shown on Line 30 of federal Form 1120 or the corresponding line (taxable income) of the related federal income tax return.

Note: The definition of "Internal Revenue Code" provided in the Florida Income Tax Code has been amended by recent legislation. This means Florida follows the computation of federal taxable income except for the following sections from which Florida is specifically decoupling:

- Sections 168(k), 174(a), 163(j), 274, and 179 of the IRC are included in the definition of "Internal Revenue Code" as amended and in effect on January 1, 2025 (i.e., without taking into consideration any amendments made to these sections by the One Big Beautiful Bill Act (Public Law 119-21)).
- Sections 168(n) and 174A are not included in the definition of "Internal Revenue Code."

Note 2: The interest limitation under s.163(j), IRC, is computed at the filer level. Florida did not follow the CARES Act's temporary increase in the interest limitation from 30% to 50% of federal adjusted taxable income for taxable years beginning on or after January 1, 2019, and before January 1, 2021. Any addition(s) required on Florida returns for taxable years 2019-2020 because of this decoupling is treated as a disallowed business interest expense carryforward from prior years for purposes of computing the subsequent year's business interest expense.

If your federal taxable income is affected by any of the sections referenced above, recompute your federal taxable income for purposes of Line 1 of Florida Form F-1120.

If the filer is a member of an affiliated group that filed a consolidated federal tax return, but is filing a separate return for Florida, the amount entered on Line 1 of Florida Form F-1120 should be its federal taxable income computed (or recomputed as noted above) as if it had filed a separate federal income tax return.

If you file a Florida consolidated return, the amount that you should enter on Line 1 is the:

- Consolidated federal taxable income from Line 30 of federal Form 1120 (or corresponding line (taxable income) of the federal income tax return filed), or
- The recomputed federal taxable income as noted above.

Generally, the Florida consolidated group must be identical to the federal consolidated group. Also see Consolidated Returns Instructions (page 4).

Attach to Florida Form F-1120:

- A copy of the related federal return that was filed with the IRS.
- A statement reconciling the amount reported on Line 1 with the taxable income shown on Line 30 of the related federal return.
- A pro forma federal return, which is a federal return as if the taxpayer computed federal taxable income in accordance with the definition of "Internal Revenue Code" provided in the Florida Income Tax Code. In the case of a consolidated subsidiary filing separately in Florida, as if the subsidiary had also filed a separate federal return.

You should retain documentation that substantiates and supports the recomputed federal taxable income calculation until tax imposed by chapter 220, F.S., may no longer be determined and assessed under ss. 95.091(3) or 220.23, F.S.

S corporations should enter only the amount of income subject to federal income tax at the corporate level.

Line 2 - State Income Taxes Deducted in Computing Federal Taxable Income
Enter the total amount of state income taxes deducted on the federal return in the computation of federal taxable income. Include the amount deducted for income taxes paid to the District of Columbia and all states, including Florida. Do not include taxes based on gross receipts, or income taxes paid to cities or counties.

Note: You must attach a list to Florida Form F-1120 identifying the amount of tax and the state to which it was paid.

Line 3 - Additions to Federal Taxable Income
Enter the total amount of additions or adjustments to federal taxable income shown on Schedule I, Line 23.

Line 4 - Total of Lines 1, 2, and 3.

Line 5 - Subtractions from Federal Taxable Income
Enter the total amount of subtractions from federal taxable income shown on Schedule II, Line 12.

Line 6 - Adjusted Federal Income
Subtract Line 5 from Line 4 and enter the difference.

Line 7 - Florida Portion of Adjusted Federal Income
If the taxpayer's business is entirely within Florida, enter the amount reported on Line 6 on this line.

If the taxpayer is doing business outside Florida, complete Schedules III and IV and enter the adjusted federal income amount from Schedule IV, Line 9.

Line 8 - Nonbusiness Income Allocated to Florida
If the taxpayer's business is entirely within Florida, enter zero (0). If the taxpayer is doing business outside Florida, see the instructions for Schedule R.

Line 9 - Florida Exemption
Section 220.14, F.S., exempts up to $50,000 of Florida net income. The amount of the exemption is the lesser of $50,000 or the Florida portion of adjusted federal income plus nonbusiness income allocated to Florida (Line 7 plus Line 8). If the sum of Line 7 plus Line 8 is zero or less, enter zero (0).

Florida allows only one $50,000 exemption to the members of a controlled group of corporations as defined in s.1563, IRC. If you file a consolidated return, the amount of exemption taken on Line 9 is limited to the lesser of $50,000 or the Florida portion of adjusted income plus nonbusiness income allocated to Florida (Line 7 plus Line 8). If members of the controlled group file separate returns, follow the instructions for Question G-1.

If the taxable year is less than 12 months, the $50,000 exemption must be prorated. Multiply $50,000 by the number of days in the short tax year divided by 365.

Line 10 - Florida Net Income
Subtract Line 9 from the sum of Lines 7 and 8 and enter the difference. If the result is a loss, enter zero (0).

Line 11 - Tax Due
Multiply the amount on Line 10 by the tax rate.

Line 12 - Credits Against the Tax
Enter the total credits against the tax from Schedule V, Line 25. Credits against the tax cannot exceed the amount of tax due on Line 11 and cannot create a refund.

Line 13 - Total Corporate Income/Franchise Tax Due
Subtract Line 12 from Line 11.

Line 14 - Penalty and Interest
If you have underpaid estimated tax, you may compute penalty and interest using Florida Form F-2220 and enter the amounts on Lines 14(a) and 14(c). To obtain Florida Form F-2220, go to **floridarevenue.com/forms** in the Corporate Income Tax section.

Penalty and interest on an underpayment of estimated tax are computed from the installment due date until the earlier of the payment date or due date for filing the annual tax return, without regard to any extension of time. No penalty or interest will apply if the cumulative amount paid or credited for each installment equals or exceeds the cumulative amount due if the installments were based on:
- At least 90% of the tax finally shown to be due for the taxable year; or
- The tax computed using the prior year facts and income and current year rates.

Note: The installment amounts that must be paid to meet the prior year exception are decreased by the amount of any credit earned for the taxable year under the Florida Tax Credit Scholarship Program, New Worlds Reading Initiative, Strong Families Tax Credit Program, Home Away From Home Tax Credit Program, Live Local Program, Child Care Tax Credits Program, and Credit for Manufacturing of Human Breast Milk Derived Human Milk Fortifiers.

Enter any other penalty or interest due on Lines 14(b) and 14(d) respectively. See also "Penalties" and "Interest" on page 3.

Line 15 - Total of Lines 13 and 14.

Line 16 - Payment Credits
On Line 16(a), enter the total estimated tax payments, if any, made for the taxable year, plus any carryovers from previous years or corporate income tax credit memos issued by the Department. If you filed Florida Form F-7004, enter the tentative tax paid on Line 16(b). Add the estimated tax payments and the tentative tax paid (Line 16(a) plus Line 16(b)). Enter that sum on Line 16. **Attach a schedule of payments showing the amounts paid and dates of each payment.**

Line 17 - Total Amount Due
Subtract the amount on Line 16 from Line 15 and enter the amount due. Also, enter the amount due in the space provided at the bottom of the front page of Florida Form F-1120. Make your check payable to the Florida Department of Revenue. If tax was overpaid, please refer to the instructions for Lines 18 and 19.

Line 18 - Credit
Enter the amount of overpayment you want applied to the following taxable year as an estimated tax payment. You may apply any portion of an overpayment as an estimated tax payment. Also, enter this amount in the space provided at the bottom of the front page of Florida Form F-1120.

Note: The election to apply an overpayment to the next year's estimated tax is irrevocable. For more information, see Rule 12C-1.034(8), F.A.C., titled Special Rules Relating to Estimated Tax.

Line 19 - Refund
Enter the amount of overpayment you want refunded on Line 19. You may request a refund of any portion of an overpayment. Also, enter this amount in the space provided at the bottom of the front page of Florida Form F-1120. **If Line 19 is left blank, we will credit the entire overpayment to next year's estimated tax**. Sub S corporations must include the Notice of Acceptance as an S corporation from the IRS if the document has not been sent to the Department.

Signature and Verification
An officer or person authorized to sign for the entity must sign all returns. A receiver, trustee, assignee, or other fiduciary must sign any return filed on behalf of the entity.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:
- Federal employer identification number (FEIN).
- Preparer tax identification number (PTIN).

Questions A through L
All taxpayers must answer questions A through L.

Question A - Enter the state in which you are incorporated.

Question B - Enter the Florida document number received from the Florida Secretary of State. For information, contact the Department of State, Corporate Information at (850) 245-6052 or visit the website at **sunbiz.org**.

Question C - Check the appropriate box to indicate if you are filing a Florida consolidated return.

Question D - Check the "Initial return" box if the return is the initial Florida return filed. Check "Final return" only if you have filed a final federal return. When a C Corporation elects to become an S corporation, the final C return is not considered to be a final tax return for the corporation. A return for a foreign (out-of-state) corporation that has ceased doing business in Florida is not a final return.

Question E - Enter the Principal Business Activity Code that pertains to Florida business activities. If the Principal Business Activity Code is unknown, see the "Principal Business Activity Codes" section of the IRS Instructions for Form 1120.

Question F - Check the appropriate box to indicate if you have filed a Florida extension of time (Florida Form F-7004). Attach a copy of Florida Form F-7004, if timely filed.

Question G-1 - Florida allows only one $50,000 exemption to a controlled group of corporations as defined in s.1563, IRC. If the taxpayer is a member of a controlled group, attach a list of the members. Include FEIN, address, and apportioned amount of the $50,000 exemption for each corporation. If the controlled group is a parent-subsidiary group, please indicate the parent corporation on your attached list. Attaching the list shows consent to an unequal apportionment of the Florida exemption.

Question G-2 - Check the appropriate box to indicate if you are part of a federal consolidated return. Enter the name and FEIN from your federal consolidated return.

Question G-3 - Check the appropriate box to indicate if the federal common parent has sales, property, or payroll in Florida.

Question H - Enter the address where the corporate books and records are located.

Question I - Check the appropriate box to indicate if you are a member of a partnership or joint venture that does business in Florida.

Question J - Provide the date of your latest IRS audit and list the years examined.

Question K - Provide the name, a telephone number, and email address of the person to contact regarding this return.

Question L - Indicate the form number of the return filed with the IRS.

Schedule I – Additions and/or Adjustments to Federal Taxable Income

Line 1 - Interest Excluded from Federal Taxable Income
Enter the amount of interest excluded from taxable income under s.103(a), IRC, or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265, IRC, or any other law. These items will be included in Schedule M-1 of the federal return.

Line 2 - Undistributed Net Long-Term Capital Gains
If you are a regulated investment company (RIC) or a real estate investment trust (REIT), enter the undistributed net capital gain for the taxable year computed pursuant to ss. 852(b)(3)(D) and 857(b)(3)(D), IRC.

Line 3 - Net Operating Loss Deduction
Enter the amount of net operating loss deduction shown on Line 29(a) of the federal Form 1120 or on the corresponding line of other federal income tax forms.

Line 4 - Net Capital Loss Carryover
Enter the net capital loss carryover, as defined in s. 1212, IRC, deducted from capital gains in computing federal taxable income for the taxable year. Refer to federal Form 1120, Schedule D, for this adjustment.

Line 5 - Excess Charitable Contribution Carryover
Enter the amount of excess charitable contributions determined under s. 170(d)(2), IRC, carried forward and deducted in computing federal taxable income for the taxable year.

Line 6 - Employee Benefit Plan Contribution Carryover
Enter the total amount of excess employee benefit plan deductions determined under s. 404(a)(1)(E), IRC, (excess contributions to qualified pension plans) and s. 404(a)(3)(A)(ii), IRC, (excess contributions to qualified stock bonus or profit-sharing plans), carried forward and deducted in computing federal taxable income for the taxable year.

Line 7 - Ad Valorem Taxes Allowable as an Enterprise Zone Property Tax Credit
Enter the amount from Line 4 of Schedule V. This will be the portion of the ad valorem taxes paid or incurred for the taxable year that is allowable as an enterprise zone property tax credit on Florida Form F-1158Z.

Line 8 - Guaranty Association Assessment(s) Credit
Enter the amount from Line 1 of Schedule V, Florida Health Maintenance Organization Consumer Assistance Assessment Credit, and any Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit included on Schedule V, Line 24.

Line 9 - Rural and/or Urban High-Crime Area Job Tax Credits
Enter the total of the amounts from Lines 5 and 6 of Schedule V. This is the amount taken as rural and/or urban high-crime area job tax credits for the taxable year.

Line 10 - State Housing Tax Credit
Enter the amount from Line 11 of Schedule V. This is the amount taken as the state housing tax credit for the taxable year.

Line 11 - Florida Tax Credit Scholarship Program Credit (contributions to nonprofit scholarship-funding organizations tax credit)
Enter the amount from Line 12 of Schedule V. This is the amount taken as a credit for the Florida Tax Credit Scholarship Program. However, if the credit taken has previously been added to taxable income in a prior taxable year, and is taken as a deduction for federal tax purposes in the current taxable year, the amount of the deduction allowed shall not be added to taxable income in the current year. This exception is intended to ensure that the credit is added in the applicable taxable year and does not result in a duplicate addition in a subsequent year.

Line 12 - New Worlds Reading Initiative Credit
Enter the amount from Line 13 of Schedule V. This is the amount taken for the new worlds reading initiative credit for the taxable year.

Line 13 - Strong Families Tax Credit (credit for contribution to eligible charitable organizations)
Enter the amount from Line 14 of Schedule V. This is the amount taken for the strong families tax credit for the taxable year.

Line 14 - Live Local Program Credit
Enter the amount from Line 16 of Schedule V. This is the amount taken for the live local program credit for the taxable year.

Line 15 - Research and Development Tax Credit
Enter the amount from Line 18 of Schedule V. This is the amount taken as the research and development tax credit for the taxable year.

Line 16 - Experiential Learning Tax Credit Program
Enter the amount from Line 19 of Schedule V. This is the amount of the experiential learning tax credit taken for the taxable year.

Line 17 - Credit for Qualified Railroad Reconstruction or Replacement Expenditures
Enter the amount from Line 20 of Schedule V. This is the

amount taken as a credit for qualified railroad reconstruction or replacement expenditures for the taxable year.

Line 18 - Residential Graywater System Tax Credit
Enter the amount from Line 21 of Schedule V. This is the amount of the residential graywater system tax credit taken for the taxable year.

Line 19 - Credit for Manufacturing of Human Breast Milk Derived Human Milk Fortifiers
Enter the amount from Line 22 of Schedule V. This is the amount taken as a credit for manufacturing of human breast milk derived human milk fortifiers for the taxable year.

Line 20 - s. 168(k), IRC, Special Bonus Depreciation
Enter all amounts claimed as a special depreciation allowance under IRC s. 168(k) for property placed in service before January 1, 2027.

Line 21 - Depreciation of Qualified Improvement Property
Enter the depreciation taken in the computation of federal taxable income on qualified improvement property placed in service on or after January 1, 2018.

If bonus depreciation was taken on the qualified improvement property and the bonus depreciation was included on Line 20, it should not be added back again on this line.

Line 22 - Other Additions
Attach explanatory schedules. Examples:

(1) **Partnership adjustment.**
Florida adjusted federal ordinary partnership income or loss is based on the federal ordinary partnership income or loss with certain modifications (Florida additions and subtractions). To the extent that such modifications increase the taxpayer's distributive share of partnership income or loss included in its federal income tax return, you must include an appropriate addition as determined on Florida Form F-1065.

(2) **Consolidated income adjustment.**
No consolidated income adjustment is necessary unless the corporation made an election under s. 220.131(1), F.S., within 90 days of December 20, 1984, or upon filing the taxpayer's first return after December 20, 1984, to file a consolidated return on the same basis as its consolidated returns filed prior to July 19, 1983. Attach a schedule showing the computation of federal taxable income for the Florida affiliated group and the amounts included in the net positive or negative (using a negative sign) adjustment.

(3) **Depreciation adjustment.**
The required depreciation adjustment is for Election A [see s. 220.03(5)(b), F.S.] and Election B [see s. 220.03(5)(c), F.S.] taxpayers.

Taxpayers who made **Election A** are required to make a depreciation adjustment in computing the corporate income/franchise tax if any depreciable assets were placed in service between January 1, 1981, and December 31, 1981.

Taxpayers who made **Election B** are required to make a depreciation adjustment in computing the corporate income/franchise tax if any depreciable assets were placed in service between January 1, 1981, and December 31, 1986.

If a consolidated Florida corporate income/franchise tax return is filed, a separate schedule listing the name, address, FEIN, and the depreciation election of each included corporation must be attached.

The depreciation adjustment will include the positive or negative difference, if any, between the depreciation deducted as shown on federal Form 4562 for these assets and the depreciation allowable for these assets under the Internal Revenue Code of 1954, as amended and in effect on January 1, 1980. Attach a copy of federal Form 4562 and a statement setting forth the details of the adjustment.

Line 23 - Total
Enter the sum of Lines 1 through 22 on this line and on the front page of Florida Form F-1120, Line 3.

Schedule II – Subtractions from Federal Taxable Income

Taxpayers may not subtract from federal taxable income for Social Security and Medicare taxes paid on certain employee tip income when such taxes are taken as a credit on their federal corporate income tax return as part of the federal General Business Credit. Florida Statutes do not provide a similar credit for Florida income tax purposes, nor is there a provision for a subtraction from federal income for the taxes taken as a federal tax credit.

Line 1 - Gross Foreign Source Income Less Attributable Expenses
Enter all amounts included in federal taxable income under s. 78, IRC, on Line 1(a). Enter dividends treated as received from sources outside the United States, as determined under s. 862, IRC, on Line 1(b). Enter income under s. 951A, IRC, on Line 1(c). Enter the total of expenses directly and indirectly attributable to ss. 78, 862, and 951A, IRC, and related amounts deducted under s. 250, IRC, on Line 1(d). Add s. 78 income plus s. 862 dividends plus s. 951A income and subtract expenses [1(a) + 1(b) + 1(c) – 1(d)]. Enter result on Line 1.

Line 2 - Gross Subpart F Income Less Attributable Expenses
Enter the subpart F income included in federal taxable income under s. 951, IRC, on Line 2(a). Enter the total of expenses directly and indirectly attributable to s. 951, IRC, on Line 2(b). Subtract the attributable expenses from the subpart F income (2[a] - 2[b]). Include copies of all IRS forms, schedules, and worksheets associated with IRS Form 5471.

Note: Taxpayers doing business outside Florida enter zero (0) on Lines 3, 4, 5, and 6 and complete Lines 4, 5, 6, 7, and 8 of Schedule IV.

Line 3 - Florida Net Operating Loss Carryover Deduction
See Florida Net Operating Loss Carryover Deduction (NOLD) instructions (page 4).

Line 4 - Florida Net Capital Loss Carryover Deduction
See Florida Net Capital Loss Carryover Deduction instructions (page 4).

Line 5 - Florida Excess Charitable Contribution Carryover
See Florida Excess Contribution Carryover Deductions instructions (page 4).

Line 6 - Florida Employee Benefit Plan Contribution Carryover
See Florida Excess Contribution Carryover Deductions instructions (page 4).

Line 7 - Nonbusiness Income
If the taxpayer's business is entirely within Florida, enter zero (0). If the taxpayer is doing business outside Florida, enter the amount of nonbusiness income included in federal taxable income from Schedule R, Line 3. See Instructions for Schedule R (page 15).

Line 8 - Eligible Net Income of an International Banking Facility
The eligible net income of an international banking facility is

allowed as a deduction from adjusted federal income, to the extent not deductible in determining federal taxable income or subtracted pursuant to s. 220.13(1)(b)2., F.S. See ss. 220.63(5) and 220.62(3), F.S., for a detailed explanation of the computation of eligible net income and a definition of international banking facility.

Line 9 - s. 168(k), IRC, Special Bonus Depreciation
With the exception of qualified improvement property placed in service on or after January 1, 2018, the amount required to be added back for s.168(k), IRC, bonus depreciation is provided back to a taxpayer through a subtraction over a seven-year period of one seventh of the amount of the addition, beginning with the tax year of the addition. Attach a schedule showing the taxable year and amount of the original addition, the amount of the original addition for qualified improvement property placed in service on or after January 1, 2018, and the amount of the subtraction by taxable year. Enter the amount to be subtracted this year.

Line 10 - Depreciation of Qualified Improvement Property
The recovery of amounts required to be added back to federal taxable income for qualified improvement property placed in service on or after January 1, 2018 (Schedule I, Line 21, and the portion related to such property added back on Schedule I, Line 20) is provided back to a taxpayer through a subtraction on this line. The subtraction is limited to the depreciation that would have been allowed under the IRC in effect on January 1, 2020, without retroactive changes made by the CARES Act, and without taking into account any sale or other disposition of the property. Attach a schedule showing the taxable year and amount of the original addition and the amount of the subtraction by taxable year. Enter the amount to be subtracted this year.

Line 11 - Other Subtractions
Enter any other item required to be subtracted as an adjustment to compute adjusted federal income.

Attach explanatory schedules. Examples:
(1) **Partnership adjustment.** Florida adjusted federal ordinary partnership income or loss is based on the federal ordinary partnership income or loss with certain modifications (Florida additions and subtractions). To the extent that such modifications decrease the taxpayer's distributive share of partnership income or loss included in its federal income tax return, you must include an appropriate subtraction as determined on Florida Form F-1065.

(2) **Certain foreign taxes.** Enter the amount of taxes of foreign countries allowable as credits under s. 901, IRC, to any corporation that derived less than 20% of its gross income or loss for its taxable year ending in 1984 from sources within the United States, as described in s. 861(a)(2)(A), IRC, not including withholding taxes specified in s. 220.13(1)(b)5., F.S.

Line 12 - Total
Enter the sum of Lines 1 through 11 on this line and on the front page of Florida Form F-1120, Line 5.

Schedule III – Apportionment of Adjusted Federal Income

Florida taxpayers doing business outside Florida are required to apportion their business income to Florida based upon a three-factor formula (average value of property, payroll, and sales factors), except for insurance companies, transportation companies, citrus processing companies, taxpayers granted permission to use a single sales factor under s. 220.153, F.S., and taxpayers who have been given prior permission by the Department to apportion income using a different method under s. 220.152, F.S.

Florida does not allow a taxpayer to apportion income if it is not doing business outside the state. Making only sales in another state without property or payroll in that state does not automatically indicate a taxpayer is "doing business" in a state other than Florida. See Rule 12C-1.015, F.A.C., for further information about when a Florida corporation may apportion income.

The three-factor formula measures Florida's share of adjusted federal income by ratios of the taxpayer's property, payroll, and sales in Florida to total property, payroll, and sales located or occurring everywhere. The apportionment factors are weighted as follows: 25% to property, 25% to payroll, and 50% to sales.

Note: If the amount reported in Schedule III-A, Column (b) for either the property or payroll factor is zero, the weighted percentage for the other factor will be 33-1/3% and the weighted percentage for the sales factor will be 66-2/3%. If the amount reported in Schedule III-A, Column (b) for the sales factor is zero, the weighted percentage for the property and payroll factors will change from 25% to 50% each. If the amounts reported in Schedule III-A, Column (b) for any two factors are zero, the weighted percentage for the remaining factor will be 100%.

All amounts related to nonbusiness income, income related to ss. 78, 862, 951, and 951A, IRC, and any other income not included in the adjusted federal income (Florida Form F-1120, Line 6) must be excluded from the apportionment factors.

III-A Line 1. Average Value of Property
The property factor is a fraction. The numerator of this fraction is the average value of real and tangible personal property owned or rented and used during the taxable year in Florida. The denominator is the average value of such property owned or rented and used everywhere during the taxable year.

Property owned is valued at original cost, without regard to accumulated depreciation. Property rented is valued at eight times the net annual rental rate. You must reduce the net annual rental rate by the annual rental rate received from sub-rentals.

Compute the average value of property using Schedule III-B. On Lines 1 through 4 of this schedule, enter the beginning-of-year and end-of-year balances for property owned and used within Florida, as well as property owned and used everywhere. Compute the average value using the formula provided on Line 6. Enter the value of rented property on Line 7. Add Lines 6a and 7a and enter the Florida average on Line 8a of Schedule III-B and on Schedule III-A, Line 1, Column (a). Likewise, add Lines 6b and 7b and enter the everywhere average on Line 8b of Schedule III-B and on Schedule III-A, Line 1, Column (b).

If substantial fluctuations in the values of the property exist during the tax period or where you acquired property after the beginning of the tax period or disposed of property before the end of the tax period, the Department may require or allow monthly averaging of property values. If monthly averages are used, you must attach appropriate schedules.

For corporations not included within the definition of a financial organization, intangible personal property will not be included in the property factor. The property factor used by a financial organization must include intangible personal property, except goodwill, owned and used in the business. The term "financial organization" includes any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, or investment company.

The intangible personal property will be valued at its tax basis for federal income tax purposes. Florida considers intangible personal property to be in Florida if it consists of **any** of the following:
(a) Coin or currency located in Florida.
(b) Assets in the nature of loans located in Florida, including balances due from depository institutions, repurchase agreements, federal funds sold, and bankers' acceptances.
(c) Installment obligations on loans for which the customer initially applied at an office located in Florida.
(d) Loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in Florida.
(e) A portion of a participation loan where the office that enters into the participation is located in Florida.
(f) Credit card receivables from customers who reside or who are commercially domiciled in Florida.
(g) Investments in securities that generate business income where the taxpayer's commercial domicile is in Florida, unless such securities have acquired a discrete business situs elsewhere.
(h) Securities held by a state treasurer or other public official or pledged to secure public funds or trust funds deposited with the taxpayer, if the office where the secured deposits are maintained is in Florida.
(i) Leases of tangible personal property where the taxpayer's commercial domicile is in Florida, unless the taxpayer establishes that the location of the leased tangible property is in another state or states for the entire taxable year and the taxpayer is taxable in such other state or states.
(j) Installment sale agreements originally executed by a taxpayer or its agent to sell real or tangible personal property located in Florida.
(k) Any other intangible personal property located in Florida used to generate business income.

III-A Line 2. Payroll
The payroll factor is a fraction. The numerator of this fraction is the total amount paid to employees in Florida during the taxable year for compensation. The denominator is the total compensation paid to employees everywhere during the taxable year. Enter the numerator in Schedule III-A, Line 2, Column (a). Enter the denominator in Schedule III-A, Line 2, Column (b). For purposes of this factor, compensation is paid within Florida if:
(a) The employee's service is performed entirely within Florida, *or*
(b) The employee's service is performed both within and outside Florida, but the service performed outside Florida is incidental to the employee's service, *or*
(c) Some of the employee's service is performed in Florida and either the base of operations or the place from which the service is directed or controlled is in Florida, or the base of operations or place from which the service is controlled is not in any state in which some part of the service is performed and the employee's residence is in Florida.

The taxpayer must attach a statement listing all compensation paid or accrued for the taxable year other than that shown on federal Form 1125-A, federal Form 1125-E (if required to complete for federal tax purposes), or federal Form 1120.

Sponsored Research and Development Contracts through a University
The payroll factor excludes compensation paid to a Florida employee and the property factor excludes any real or tangible personal property located in Florida certified as dedicated exclusively to the activities of sponsored research and development contracts through a state university or a non-public Florida chartered university conducting graduate programs at the professional or doctoral level. This exclusion applies only during the contractual period and the tax savings is limited to the amount paid for the sponsored research.

Attach a copy of the certification letter, received from the Board of Governors of the State University System or the university president, to the return. Also, the taxpayer must include the schedule of items, as certified by the university, excluded from the payroll and property factors.

III-A Line 3. Sales Factor
The sales factor is a fraction. The numerator of this fraction is the total sales of the taxpayer in Florida during the taxable year. The denominator is the total sales of the taxpayer everywhere during the taxable year. Use Schedule III-C to calculate the sales factor. Enter the numerator on Schedule III-A, Line 3, Column (a) and the denominator on Schedule III-A, Line 3, Column (b).

Florida defines the term "sales" as gross receipts without regard to returns or allowances. The term "sales" is not limited to tangible personal property, and includes:
(a) Rental or royalty income, if such income is significant in the taxpayer's business.
(b) Interest received on deferred payments of sales of real or tangible personal property.
(c) Income from the sale, licensing, or other use of intangible personal property.
(d) Sales of services.
(e) For financial organizations, income from intangible personal property.

Making only sales in another state without property or payroll in that state does not automatically indicate a taxpayer is "doing business" in a state other than Florida. See Rule 12C-1.015, F.A.C., for further information about when a Florida corporation may apportion income.

Sales will be attributable to Florida using the following criteria:
(a) Sales of tangible personal property will be "Florida sales" if the property is delivered or shipped to a purchaser within Florida.
(b) Rentals will be "Florida sales" if the real or tangible personal property is in Florida.
(c) Interest received on deferred payments of sales of real or tangible personal property will be included in "Florida sales" if the sale of the property is in Florida.
(d) Sales of service organizations are within Florida if the services are performed in Florida.

For a financial organization, "Florida sales" will also include:
(a) Fees, commissions, or other compensation for financial services rendered within Florida.
(b) Gross profits from trading in stocks, bonds, or other securities managed within Florida.
(c) Interest, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible property located outside Florida.
(d) Dividends received within Florida.
(e) Interest for carrying debit balances on margin accounts, charged to customers at their business locations in Florida, without deducting any costs for carrying such accounts.
(f) Interest, fees, commissions, and other charges or gains from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in Florida or from installment sale agreements originally executed by a taxpayer or its agent to sell real or tangible personal property located in Florida.
(g) Any other gross income, including other interest, resulting from the operation as a financial organization within Florida.

III-A Line 4. Apportionment Fraction
For Lines 1, 2, and 3 of Schedule III-A, divide the amount in Column (a) by the amount in Column (b). Round the result to six decimal places. Enter the result in Column (c) of Schedule

III-A. In Column (d), use the appropriate weight for each factor. See the note on page 9 for more detailed information. Multiply the amount in Column (c) by the weighted percentage in Column (d). Round the result to six decimal places. Enter the result in Column (e).

To compute the Florida apportionment fraction, add the weighted factors on Schedule III-A, Lines 1, 2, and 3 of Column (e). Enter the total on Schedule III-A, Line 4 and on Schedule IV, Line 2.

III-D. Special Apportionment Fractions
Insurance Companies
Insurance companies apportion adjusted federal income to Florida by multiplying it by a fraction. The numerator is the direct premiums written for insurance upon properties and risks in Florida and the denominator is direct premiums written on properties and risks everywhere. Florida defines the term "direct premiums written" as the total amount of direct premiums written, assessments, and annuity considerations, as reported on the annual statement filed by the company with the Florida Insurance Commissioner.

However, if the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the numerator and denominator of the above fraction include the direct premiums written plus premiums written for reinsurance.

Enter the amounts within Florida in Column (a) and amounts everywhere in Column (b) on Schedule III-D, Line 1. Divide Column (a) by Column (b) and enter the result on Schedule III-D, Line 1, Column (c) and on Schedule IV, Line 2.

Note: Insurance companies using this apportionment fraction should attach a copy of Schedule T from their annual report.

Transportation service companies
Taxpayers furnishing transportation services will use a single factor apportionment fraction to apportion their income to Florida. The term "taxpayers furnishing transportation services" includes taxpayers engaged exclusively in interstate commerce.

Florida apportions the income of transportation companies by multiplying their adjusted federal income by a fraction; the numerator is the revenue miles within Florida and the denominator is the revenue miles everywhere.

For transportation other than by pipeline, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for consideration.

Enter the amount within Florida in Column (a) and the amount everywhere in Column (b) on Schedule III-D, Line 2. Divide Column (a) by (b) and enter the result on Schedule III-D, Line 2, Column (c) and on Schedule IV, Line 2.

Schedule IV – Computation of Florida Portion of Adjusted Federal Income

A taxpayer doing business outside Florida should use Schedule IV to compute the Florida portion of adjusted federal income. Florida does not allow a taxpayer to apportion income using Schedule IV if it is not considered to be doing business outside Florida.

Apportionment of Adjusted Federal Income
Line 1 - Apportionable Adjusted Federal Income
Enter the adjusted federal income from Line 6 on the front page of Florida Form F-1120.

Line 2 - Florida Apportionment Fraction
Enter the Florida apportionment fraction from either Schedule III-A, Line 4 or Schedule III-D, Column (c).

Line 4 - Net Operating Loss Carryover Apportioned to Florida
Enter the Florida net operating loss carryover deduction.

To support a deduction, you must attach a **schedule** showing how you computed the deduction. See the Florida Net Operating Loss Carryover Deduction (NOLD) instructions on page 4, including Examples of Florida Net Operating Loss Carry Forward Schedules on page 16.

Line 5 - Net Capital Loss Carryover Apportioned to Florida
Enter any available Florida net capital loss carryover deduction. See the Florida Net Capital Loss Carryover Deduction instructions on page 4.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of loss, apportionment fraction for the taxable year in which the loss occurred, and amounts of the carryover(s) previously deducted.

Line 6 - Excess Charitable Contribution Carryover Apportioned to Florida
Enter any available Florida excess charitable contribution carryover. See the Florida Excess Contribution Carryover Deductions instructions on page 4.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of federal excess contributions, actual contributions made, federal contribution limitation, amount of excess contributions, Florida apportionment fraction for the taxable year(s), apportioned excess contribution to be carried over, and the amount of the carryover(s) previously deducted.

Line 7 - Employee Benefit Plan Contribution Carryover Apportioned to Florida
Enter any available Florida employee benefit plan excess contribution carryover. See the Florida Excess Contribution Carryover Deductions instructions on page 4.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of federal excess contributions, actual contributions made, federal contribution limitation, amount of excess contributions, Florida apportionment fraction for the taxable year(s), apportioned excess contribution to be carried over, and the amount of the carryover(s) previously deducted.

Line 8 - Total Carryovers Apportioned to Florida
Add Lines 4 through 7, and enter the total.

Line 9 - Adjusted Federal Income Apportioned to Florida
Subtract Line 8 from Line 3 and enter the difference on this line and on the front page of Florida Form F-1120 (Line 7).

Schedule V – Credits Against the Corporate Income/Franchise Tax

Note: Credits against the tax may not exceed the corporate income/franchise tax liability.

Section 220.02(8), F.S., provides for an order of application for the credits against corporate income tax. The credits are listed in **Schedule V** in the order they must be applied. The Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit, available to certain insurers, is not listed in s. 220.02(8), F.S. Therefore, the FLAHIGA credit is to be included in the "other credits" on Line 24. You may find the instructions for the credit with the instructions for Line 24 on page 15.

Line 1 - Florida Health Maintenance Organization Consumer Assistance Assessment Credit
A corporate income tax credit is available to a member of the Health Maintenance Organization Consumer Assistance Plan for assessments paid under s. 631.828, F.S. This credit is limited to 20% of the amount of such assessments for each of the five calendar years following the year in which such assessment was paid. Attach a copy of the assessment notice to Florida Form F-1120.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 8.

Line 2 - Capital Investment Tax Credit
An annual capital investment tax credit is available to a qualifying business that establishes a qualifying project. Attach a copy of the certification. For qualifying projects defined in s. 220.191(1)(h)1., and 2., F.S., this credit is granted against only the portion of Florida corporate income tax generated by, or arising out of, the qualifying project. You must attach a pro forma tax return indicating the qualifying project's Florida taxable income for the year to claim this credit. Businesses may apply for this credit with the Florida Department of Commerce. A taxpayer that takes this credit against Florida insurance premium tax is not eligible to take it against Florida corporate income tax. For qualifying projects defined in s. 220.191(1)(h)3., F.S., when the capital investment tax credit is used in whole or in part by a member of the qualifying business' affiliated group or a related entity that is taxable as a cooperative under subchapter T of the Internal Revenue Code, the qualifying business and the entities claiming the qualifying business' tax credit must attach a schedule reconciling how the capital investment tax credit is used. The name, FEIN, and amount of capital investment tax credit claimed by each entity must be included in the schedule.

If you are claiming a transferred capital investment tax credit per s. 220.191(2)(c), F.S., you must attach to your return a copy of the letter received from the Department of Revenue certifying the amount of the credit transferred (only credits relating to solar energy projects may be transferred).

Line 3 - Community Contribution Tax Credit
Florida allows a credit equal to 50% of a qualified community contribution against corporate income tax for the taxable year of the contribution. The amount of the community contribution credit allowed is limited to $200,000 per taxpayer. You may carry forward any unused credits for a period not to exceed five (5) years.

Attach a copy of the decision approving the credit to the Florida Form F-1120 on which you are claiming the credit.

Note: Insurance companies may not claim the community contribution credit against their corporate income tax liability.

Line 4 - Enterprise Zone Property Tax Credit
Any business claiming the credit must complete and attach an *Enterprise Zone Property Tax Credit* form (Florida Form F-1158Z). Enter the amount of enterprise zone property tax credit, including any applicable carryover credit, from Florida Form F-1158Z.

Note: Taxpayers claiming the credit must include the amount claimed for the current year on Schedule I, Line 7.

Line 5 - Rural Job Tax Credit and Line 6 - Urban High-Crime Area Job Tax Credit
Attach a copy of the approval to the return. A corporation that uses one of these credits against sales and use tax is not eligible to take the same credit against Florida corporate income tax. You may carry forward any unused credit for a period not to exceed five (5) years.

Note: Taxpayers claiming these credits must include the amounts claimed for the current year on Schedule I, Line 9.

Line 7 - Hazardous Waste Facility Tax Credit
A credit is allowed to the owner of any commercial hazardous waste facility for the sum of: (a) expenses for required hydrologic, geologic, or soil site evaluations and permit fees, and (b) 5% of the cost of stationary facility equipment used for recycling hazardous wastes pursuant to s. 220.184, F.S. Any unused credit may be carried forward for a period not to exceed five (5) years.

Line 8 - Florida Alternative Minimum Tax (AMT) Credit
A credit for Florida AMT paid is allowable in any tax year in which "regular" Florida tax is due following the tax year for which Florida AMT was paid. For tax years beginning on or after January 1, 2018, there is no Florida AMT and no additional Florida AMT credit will be created.

The amount of AMT credit that may be taken is limited to the lesser of:
- the amount of unused Florida AMT credit carried forward from previous tax years, and
- the amount of tax due on Line 11 of the computation of Florida net income less the credits claimed on Lines 1 through 8 minus 3.3% of the amount that additions (Schedule I, Lines 1 and 7 through 22) exceed subtractions (Schedule II, Lines 3 through 11, and if your apportionment fraction is not 100% Florida, Schedule IV, Line 8).

Line 9 - Contaminated Site Rehabilitation Tax Credit (voluntary cleanup tax credit)
A credit is available to eligible entities for a percentage of the costs of a voluntary cleanup of a contaminated site. Any corporation that wishes to obtain this credit must submit with its return a tax credit certificate issued by the Florida Department of Environmental Protection. Additional information can be obtained by contacting the Department of Environmental Protection, Bureau of Waste Cleanup, at (850) 245-8927. Any unused credit may be carried forward for a period not to exceed five (5) years.

Line 10 - Child Care Tax Credits
A credit is available against Florida corporate income tax for taxpayers that
- establish an eligible child care facility for employees;
- operate a child care facility for employees; or
- pay an eligible child care facility in the name and for the benefit of an employee.

To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives select the Corporate Income Tax Incentives webpage link.

The Department of Revenue must approve an allocation of this credit before it can be taken. Unused credits may be carried forward up to five (5) taxable years.

A taxpayer's noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.19, F.S.

Attach a copy of your approval letter from the Department to the return.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit refer to Florida Form DR-556200, *Child Care Tax Credits Program Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Line 11 - State Housing Tax Credit
A credit is available against Florida corporate income tax based upon approved low income housing projects for a five (5) year credit period beginning with the year the project is completed. A taxpayer that wishes to participate in the State Housing Tax Credit Program must submit an application to the Florida Housing Finance Corporation. Attach a copy of the approval letter from the Florida Housing Finance Corporation to the return. Additional information can be obtained from the Low Income Housing Administrator at (850) 488-4197.

Note: Taxpayers must include the amount claimed for the current year on Schedule I, Line 10.

Line 12 - Florida Tax Credit Scholarship Program Credit (contributions to nonprofit scholarship-funding organizations tax credit)
A credit is available against Florida corporate income tax for contributions to nonprofit scholarship-funding organizations (SFOs). To learn more about this credit or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives select Corporate Income Tax Incentives webpage link.

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years.

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer's noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1875, F.S.

Attach a copy of the certificate of contribution from each nonprofit scholarship-funding organization to your Florida Form F-1120.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit refer to Florida Form DR-116200, *Florida Tax Credit Scholarship Program Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 11.

Line 13 - New Worlds Reading Initiative Credit
A credit is available against Florida corporate income tax for contributions to the administrator under the New Worlds Reading Initiative. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link.

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years.

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer's noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1876, F.S.

Attach a copy of the certificate of contribution from the administrator to your Florida Form F-1120.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit, refer to Florida Form DR-336200, *The New Worlds Reading Initiative Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 12.

Line 14 - Strong Families Tax Credit (credit for contributions to eligible charitable organizations)
A credit is available against Florida corporate income tax for contributions to eligible charitable organizations under the Florida Strong Families Tax Credit Program. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives select the Corporate Income Tax Incentives webpage link.

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years.

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer's noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1877, F.S.

Attach a copy of the certificate of contribution from each eligible charitable organization to your Florida Form F-1120.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit, refer to Florida Form DR-226200, *Strong Families Tax Credit Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 13.

Line 15 - Home Away From Home Tax Credit (credit for contributions to eligible charitable organizations)
A credit is available against Florida corporate income tax for contributions to eligible charitable organizations under the Florida Home Away From Home Tax Credit Program. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives select the Corporate Income Tax Incentives webpage link.

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years.

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer's noncompliance with the requirement to pay tentative taxes may result in the

revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.18775, F.S.

Attach a copy of the certificate of contribution from each eligible charitable organization to your Florida Form F-1120.
You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit, refer to Florida Form DR-665200, *Home Away From Home Tax Credit Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Line 16 - Live Local Program Credit
A credit is available against Florida corporate income tax for contributions to the Florida Housing Finance Corporation under the Live Local Program. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link..

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years.

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer's noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1878, F.S.

Attach a copy of the certificate of contribution from the Florida Housing Finance Corporation to your Florida Form F-1120.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit, refer to Florida Form DR-446200, *Live Local Program Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 14.

Line 17 - Rural Community Investment Program Credit
A credit is available against Florida corporate income tax for an investor contribution in a rural fund, as certified by the Florida Department of Commerce.

Enter 20% of the Rural Community Investment Program Credit approved under s. 288.062, F.S., in each of the tax years containing the first through fifth credit certification dates. Unused credit may be carried forward for use in subsequent tax years until the tax year containing the 11th credit certification date.

Attach a copy of the final order issued by the Florida Department of Commerce to your Florida Form F-1120.

You may transfer unused credit to affiliates of the certified rural fund. To learn more about transfers of this credit, refer to Florida Form DR-288062, *Rural Community Investment Program Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Line 18 - Research and Development Tax Credit
A credit is available against Florida corporate income tax based upon qualified research expenses in Florida for taxpayers that also claim and are allowed a federal income tax credit under section 41 of the IRC for the same research expenses. The Department of Revenue must allocate this credit before it can be taken. Attach federal Forms 6765, 3800, and 1065, Schedule K-1 (if applicable) to the return. An unused credit cannot be carried forward more than five (5) years.

Note: Taxpayers must include the amount claimed for the current taxable year on Schedule I, Line 15.

Line 19 - Experiential Learning Tax Credit Program
A credit is available against Florida corporate income tax for employing apprentices, preapprentices, or student interns during taxable years that begin in calendar years 2022 through 2025. The credit is $2,000 per apprentice, preapprentice, or student intern up to a maximum of five apprentices, preapprentices or student interns per year. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link. The Department of Revenue must approve this credit before it can be taken. Unused credits may be carried forward up to two (2) taxable years.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 16.

Line 20 - Credit for Qualified Railroad Reconstruction or Replacement Expenditures
A credit is available against Florida corporate income tax equal to 50% of a qualifying railroad's qualified expenditures in Florida during the taxable year, not to exceed $3,500 multiplied by the number of miles of railroad track owned or leased within 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. Qualifying railroads must submit their application for credit no later than May 1 of the calendar year following the year in which the qualified expenditures were made. To learn more about this credit, and to access Florida Form F-11915, *Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit*, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link. The Department of Revenue must approve this credit before it can be taken or transferred. Unused credits may be carried forward up to five (5) taxable years.

You may transfer this credit to certain taxpayers. To learn more about transfers of this credit, refer to Florida Form F-11915T, *Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 17.

Line 21 - Residential Graywater System Tax Credit
A credit is available against Florida corporate income tax to a developer or homebuilder for each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. The credit is equal to 50% of the cost of each system, but may not exceed $4,200. A developer or homebuilder may not receive total credits in excess of $2 million per taxable year. Attach your certification from the Florida Department of Environmental Protection to the return. Unused credits may be carried forward up to two (2) taxable years.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 18.

Line 22 - Credit for Manufacturing of Human Breast Milk Derived Human Milk Fortifiers
A credit is available against Florida corporate income tax equal to 50% of the cost of equipment purchased for use in the production of human breast milk derived human milk fortifiers. To learn more about this credit, go to **floridarevenue.com/taxes/cit** and under Tax Incentives, select the Corporate Income Tax Incentives webpage link. The Department of Revenue must approve this credit before it can be taken. Unused credits may be carried forward up to five (5) taxable years.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit, refer to Florida Form F-11991T, *Florida Credit for Manufacturing of Human Breast Milk Derived Human Milk Fortifiers Notice of Intent to Transfer a Tax Credit*. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 19.

Line 23 - Individuals with Unique Abilities Tax Credit Program
A credit is available against Florida corporate income tax for qualified taxpayers that employ certain qualified employees with a physical or intellectual impairment. The credit is equal to $1 for each hour the qualified employee worked during the taxable year, up to 1,000 hours. The maximum credit per taxpayer is $10,000 per taxable year. To learn more about this credit, or to submit your application, go to **floridarevenue.com/taxes/cit** and under Tax Incentives select the Corporate Income Tax Incentives webpage link. The Department of Revenue must approve this credit before it can be taken. Unused credits may be carried forward up to five (5) taxable years.

Line 24 - Other Credits
Enter the amount of any other credits allowable against the corporate income/franchise tax. Attach a supporting schedule indicating the type and amount of any allowable credit.

Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit
A credit against insurance premium tax or corporate income tax is available to member insurers of FLAHIGA as follows:

- For each assessment levied before January 1, 1997, 0.1% of the amount of the assessment for each year following the year in which the assessment was paid.
- For each assessment levied and paid after December 31, 1996, 5% of the amount of the assessment for each of the 20 years following the year in which the assessment was paid.

The total amount of assessment that can be claimed as a credit is net of any refunds received.

However, if a member insurer ceases doing business, all uncredited assessments may be credited against its insurance premium or corporate income tax liability for the year it ceases doing business.

The same assessment amount may not be offset by an insurer against both its insurance premium and corporate income tax liabilities.

Attach a statement showing the computations to support the credit claimed, a copy of the Assessment Levy, and a copy of the Certificate of Contribution for each assessment claimed as a credit.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 8.

Line 25 - Total Credits Against the Tax
Enter the sum of Lines 1 through 24 on this line and on the front page of Florida Form F-1120 (Line 12).

Schedule R – Nonbusiness Income

Note: Taxpayers that conduct business entirely within Florida do not need to complete Schedule R.

Nonbusiness income is not subject to apportionment, but is allocated as provided in s. 220.16, F.S. The term nonbusiness does not include income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations, or any amounts that could be included in apportionable income without violating the due process clause of the U.S. Constitution. In general, all transactions and activities of a taxpayer that are dependent upon, or contribute to the operations of the taxpayer's economic enterprise as a whole, constitute the taxpayer's trade or business. Functionally related dividends are presumed to be business income.

Nonbusiness income means rents and royalties from real or tangible personal property, capital gains, interest, dividends, and patent and copyright royalties, to the extent they do not arise from transactions and activities in the regular course of a taxpayer's trade or business.

Line 1 - Nonbusiness Income (Loss) Allocated to Florida
Enter each type (for example: dividends, interest, and royalties) and the amount of nonbusiness income allocated to Florida on this line and on the front page of Florida Form F-1120 (Line 8).

Line 2 - Nonbusiness Income (Loss) Allocated Elsewhere
Enter each type (for example: dividends, interest, and royalties), the state or country to which the nonbusiness income is allocated, and the amount of nonbusiness income.

Line 3 - Total Nonbusiness Income
Enter the sum of Lines 1 and 2 on Line 3 and on Schedule II, Line 7.

Estimated Tax Worksheet

You must make estimated payments if your corporate income tax liability exceeds $2,500. Complete the worksheet to determine if estimated tax is due.

Line 2 - Florida Exemption $50,000
Members of a Controlled Group - Only one $50,000 exemption is allowed to a controlled group of corporations. For any Florida taxpayer who is a member of a controlled group, the manner in which the members allocate the $50,000 exemption for purposes of filing the annual Florida return will be binding upon all members with respect to estimated tax. This includes the determination of whether a declaration was required and the computation of penalties and interest on underpayments.

Examples of Florida Net Operating Loss Carry Forward Schedules

For Taxpayers that Apportion (doing business outside Florida):

Tax Year	(a) Adjusted Federal Income/Loss	(b) Apportionment Fraction (rounded to 6 decimal places)	(c) Florida Apportioned Income/Loss (a) x (b)	(d)** NOLCO Applied (Schedule IV)	(e) Florida Portion of Adjusted Federal Income/Loss (c + d)	(f) NOL Carry Forward to Next Year
2024	$ (1,000,000)	0.765432	$ (765,432)	$ -	$ (765,432)	$ (765,432)
2025	$ 750,000	0.654320	$ 490,740	$ (392,592)	$ 98,148	$ (372,840)
2026	$ 400,000	0.543300	$ 217,320	$ (173,856)	$ 43,464	$ (198,984) -

For 100% Florida Taxpayers:

Tax Year	(a) Federal Income/Loss	(b)** NOLCO Applied (Schedule II)	(c) Adjusted Florida Income/Loss	(d) NOL Carry Forward to Next Year
2024	$ (1,000,000)	$ -	$ (1,000,000)	$ (1,000,000)
2025	$ 750,000	$ (600,000)	$ 150,000	$ (400,000)
2026	$ 400,000	$ (320,000)	$ 80,000	$ (80,000) -

** see page 4 for NOLCO limitations.

Additional Florida forms that may be needed.

F-851	*Corporate Income/Franchise Tax Affiliations Schedule*
F-1065	*Florida Partnership Information Return*
F-1120ES	*Declaration/Installment of Florida Estimated Income/Franchise Tax*
F-1120X	*Amended Florida Corporate Income/Franchise Tax Return*
F-1122	*Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return*
F-2220	*Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax*
F-7004	*Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*

Filing Tips

- ✓ **Be sure to make copies of your return and schedules before filing with the Department of Revenue.**
- ✓ **Notify the Department of a change of address online at: floridarevenue.com/taxes/updateaccount**
- ✓ **To find filing due dates for the current year go to the Department's website at floridarevenue.com/taxes/cit/duedates**

Contact Us

Information and tutorials are available at **floridarevenue.com/taxes/education**.

Tax forms and brochures are available at **floridarevenue.com/forms**.

To speak with a Department of Revenue representative, call Taxpayer Services at (850) 488-6800, Monday through Friday, excluding holidays.

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

Subscribe to Receive Email Alerts from the Department.
Subscribe to receive an email for filing due date reminders, Tax Information Publications (TIPs), or proposed rules, including notices of rule development workshops and emergency rulemaking. Subscribe today at **floridarevenue.com/dor/subscribe**.

References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. Forms are available online at **floridarevenue.com/forms**.

Form F-1120	Florida Corporate Income/Franchise Tax Return	Rule 12C-1.051, F.A.C.
Form F-1120ES	Declaration/Installment of Florida Estimated Income/Franchise Tax	Rule 12C-1.051, F.A.C.
Form F-7004	Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return	Rule 12C-1.051, F.A.C.
Form F-1065	Florida Partnership Information Return	Rule 12C-1.051, F.A.C.
Form F-2220	Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax	Rule 12C-1.051, F.A.C.
Form F-851	Corporate Income/Franchise Tax Affiliations Schedule	Rule 12C-1.051, F.A.C.
Form F-1120X	Amended Florida Corporate Income/Franchise Tax Return	Rule 12C-1.051, F.A.C.
Form F-1122	Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return	Rule 12C-1.051, F.A.C.
Form F-1158Z	Enterprise Zone Property Tax Credit	Rule 12C-1.051, F.A.C.
Form F-11915	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Application for Credit	Rule 12C-1.051, F.A.C.
Form F-11915T	Florida Credit for Qualified Railroad Reconstruction or Replacement Expenditures Notice of Intent to Transfer a Credit	Rule 12C-1.051, F.A.C.
Form F-11991T	Florida Credit for Manufacturing of Human Breast Milk Derived Human Milk Fortifiers Notice of Intent to Transfer a Tax Credit	Rule 12C-1.051, F.A.C.
Form DR-116200	Florida Tax Credit Scholarship Program Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-288062	Rural Community Investment Program Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-336200	The New Worlds Reading Initiative Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-226200	Strong Families Tax Credit Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-665200	Home Away From Home Tax Credit Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-446200	Live Local Program Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.
Form DR-556200	Child Care Tax Credits Notice of Intent to Transfer a Tax Credit	Rule 12-29.003, F.A.C.