



Corporate Income Tax

Corporate income tax is imposed by section (s.) 220.11, Florida Statutes (F.S.).

GT-800017
R. 01/16

Who Must File?

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.

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 (*Florida Corporate Income/Franchise Tax Return*), 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 Forms F-1120 or F-1120A (*Florida Corporate Short Form Income Tax Return*) 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 22c 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 either Florida Form F-1120 or F-1120A.

All corporations and other organizations listed here must file a return even if no tax is due.

Tax Base and Rate

Florida corporate income tax liability is computed using federal taxable income, modified by certain Florida adjustments, additions, and subtractions, to determine adjusted federal income.

- A corporation doing business outside Florida may apportion its total income. Adjusted federal income is apportioned to Florida using a three-factor formula. The formula is a weighted average, designating 25 percent each to factors for property and payroll, and 50 percent to sales.

- You should add non-business income allocated to Florida to the Florida portion of adjusted federal income.
- You should then subtract an exemption of up to \$50,000 to arrive at Florida net income.
- Finally, you should compute tax by multiplying Florida net income by 5.5 percent.

Estimated Tax

If a corporation owes more than \$2,500 in Florida corporate income tax annually, it must make estimated tax payments on a *Declaration/Installment of Florida Estimated Income/Franchise Tax* (Florida Form F-1120ES). To file and pay estimated tax online or download Florida Form F-1120ES go to the Department's website at www.myflorida.com/dor.

Estimated tax payments are due on or before the last day of the 4th month, the last day of the 6th month, the last day of the 9th month, and the last day of the tax year.

Florida Alternative Minimum Tax (AMT)

You must compute Florida alternative minimum tax (AMT) if you paid federal AMT for the same tax year. Florida AMT is computed by multiplying Florida alternative minimum taxable income by 3.3 percent. The tax due is whichever amount is greater: the regular Florida corporate income tax or the Florida AMT. In later years, corporations that paid AMT are allowed a credit.

The amount of the available credit carried over to later years is equal to the amount of Florida AMT paid over the amount of Florida "regular" tax that would have otherwise been due. The available Florida AMT credit that you may take in a tax year is limited to the amount of Florida "regular" tax that is due for that year over the Florida AMT calculated for that year.

Filing a Corporate Short Form (Florida Form F-1120A)

A corporation that has zero tax due or owes less than \$2,500 in tax may file Florida Form F-1120A if it meets **all** the following criteria:

- It has Florida net income of \$45,000 or less.
- It conducts 100 percent of its business in Florida.
- It does not report any additions to and/or subtractions from federal taxable income other than a net operating loss deduction and/or state income taxes, if any.
- It is not included in a Florida or federal consolidated corporate income tax return.
- It claims no tax credits other than tentative tax payments or estimated tax payments.
- It does not have to pay Federal Alternative Minimum Tax.

Electronic Filing

You are able to file and pay your Florida corporate income tax return (Florida Form F-1120) electronically through the IRS Modernized e-File (MeF) Federal/State Electronic Filing Program using electronic transmitters approved by the IRS and the Florida Department of Revenue. You **must** file and pay electronically if you paid \$20,000 or more in tax during the state of Florida's prior fiscal year (July 1 - June 30). The Department has online applications for filing Florida Forms F-1120A, F-1120ES, F-7004 (*Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*), and for making corporate income tax payments. Go to the Department's website for more information.

When is Tax Due?

Generally, the Florida corporate income tax return is due:

- On or before the first day of the fourth month following the close of the tax year, or
- The 15th day following the due date, without extension, for the filing of the related federal return, whichever is later. Any balance of tax owed must be paid in full by the due date of the Florida return. If tax is not paid on time, penalties and interest will be assessed. The *Florida Partnership Information Return* (Florida Form F-1065) is due on or before the first day of the fifth month following the close of the tax year.

If an extension is requested, a *Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return* (Florida Form F-7004) must be filed with full payment of tax by the original due date of the Florida return. Properly filing this form will automatically give corporations 6 months from the due date of the return to file the corporate return. For partnerships, the extension will give you 5 months from the due date of your return to file your return. You can file Florida Form F-7004 electronically on our website or through the IRS MeF federal/state electronic filing program.

Using Software to Prepare Your Return

You may purchase commercial software to prepare and file your paper return. For a current list of approved software vendors go to the Department's website.

Before using software, ask the vendor for proof that the forms in the software package have been approved by the Department of Revenue.

How Are We Doing?

Please give us your feedback on this publication by taking a one-minute survey. Go to our website and select "Surveys" under "Quick Links."

Contact Us

Information, forms, and tutorials are available on our website: www.myflorida.com/dor

To speak with a Department representative, call Taxpayer Services, 8 a.m. to 7 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

To find a **taxpayer service center** near you, go to: www.myflorida.com/dor/contact.html

For a written reply to tax questions, write to:

Taxpayer Services - MS 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

Subscribe to our tax publications to receive due date reminders or an email when we post:

- Tax Information Publications (TIPs).
- Proposed rules, notices of rule development workshops, and more.

Go to: www.myflorida.com/dor/list