



Corporate Income Tax

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

GT-800017
R. 01/13

Who Must File?

Corporations and artificial entities that conduct business, or earn or receive income in Florida, including out-of-state corporations, must file a Florida corporate income tax return unless exempt. They must file a return, even if no tax is due.

Sole proprietorships, individuals, estates of decedents, and testamentary trusts are exempted and do not have to file a return.

Corporations and other artificial entities, including those located in other states, that are partners in a partnership or members of a joint venture doing business in Florida must file the *Corporate Income/Franchise Tax Return* (Florida Form F-1120). A partnership must file a *Florida Partnership Information Return* (Florida Form F-1065) if it is doing business in Florida and a corporation is one of the partners.

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 Florida Form F-1065 if one or more of its owners is a corporation. In addition, the corporate owner of an LLC that is 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, does not have to file a separate Florida corporate income tax return. However, the income of the company is not exempt from tax if a corporation owns the company, whether directly or indirectly. In this case, the corporation must file Florida Form F-1120 reporting its own income, and the income of the single member LLC.

S Corporations and tax-exempt organizations are usually not required to file a Florida corporate income tax return if they do not have federal taxable income. If they have federal taxable income, however, they must then file a Florida corporate income tax return and pay any tax due.

Homeowner and condominium associations that file a *U.S. Corporation Income Tax Return* (federal Form 1120) must file a *Florida Corporate Income Tax Return* (Florida Form F-1120 or F-1120A) regardless of whether any tax may be due. However, if they file a *U.S. Income Tax Return for Homeowners Associations* (federal Form 1120-H), they do not have to file a Florida return.

Tax Base and Rate

Florida corporate income tax liability is computed using federal taxable income, modified by certain Florida adjustments, 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 \$25,000 to arrive at Florida net income. (**Note:** The exemption changes to \$50,000 for tax years beginning on or after January 1, 2013.)
- 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). Go to the Department's Internet site to file and pay estimated tax.

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. **The payment for June 2013 is due June 28, 2013.**

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). Go to the Department's Internet site for more information.

When Tax Is 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 Internet site 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. Go to the Department's Internet site for a list of approved software vendors. The list of approved vendors for 2013 will be available in January 2013.

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 Internet site and click on Surveys under Quick Links.

Contact Us

Information, forms, and tutorials are available on our Internet site:

www.myflorida.com/dor

To speak with a Department representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, 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 - Mail Stop 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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- Tax Information Publications (TIPs).
- Facts on Tax, a quarterly publication.
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