



Florida Department of Revenue
General Tax Administration

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TO: Representative Angie Nixon
1301C The Capitol
402 South Monroe Street
Tallahassee, FL 32399

FROM: Jim Zingale, Executive Director
Florida Department of Revenue

DATE: April 27, 2021

RE: April 8, 2021 Request for Corporate Income Tax Information

Representative Nixon,

In response to your follow-up letter of April 8, we are providing the following information. The numbers below are based on filers of all Florida corporate income/franchise tax returns. Each year of data is based on taxable years ending within the calendar year. The information below is based on data available at the time it was pulled for this request, which is different from your prior request of February 16, 2021.

Please note that none of the credits available on the Florida corporate income/franchise tax return are refundable. This means that a credit cannot create a refund. The only way a refund is created is when a taxpayer's payments exceed the taxpayer's Florida corporate income/franchise tax due.

Question 1: As measured by number of employees, of our state's 150 largest for-profit employers for which you have complete data, how many paid zero state corporate income tax in the four most recent tax years?

Response: The Florida corporate income/franchise tax return does not collect a corporation's or affiliated group of corporations' number of employees. As a result, we do not have data to match your request.

Question 2: For C-Corporations that reported federal taxable income over \$50 million, over \$100 million, over \$250 million and over \$1 billion and reported zero or less total corporate income/franchise tax due for the four most recent tax years, we would like the following additional information.

Response:

| Year | Category of Federal Taxable Income | Number of Filers that Reported Zero or Less Florida Corporate Income/Franchise Tax on Line 13, F-1120 | Federal Taxable Income Reported by These Filers on Line 1, F-1120 | Number of Filers Reporting Less than Zero Florida Corporate Income/Franchise Tax Due on Line 13, F-1120 * | Federal Taxable Income Reported by These Taxpayers on Line 1, F-1120 |
|------|------------------------------------|---|---|---|--|
| 2016 | \$50 Million or Less | 197,111 | -\$336,086,517,685 | 0 | N/A |
| | Over \$50 Million | 424 | \$165,583,558,340 | 0 | N/A |
| | Over \$100 Million | 261 | \$153,970,903,215 | 0 | N/A |
| | Over \$250 Million | 126 | \$132,507,133,034 | 0 | N/A |
| | Over \$1 Billion | 31 | \$88,850,481,679 | 0 | N/A |
| 2017 | \$50 Million or Less | 205,621 | -\$406,612,975,769 | 0 | N/A |
| | Over \$50 Million | 364 | \$137,039,901,664 | 0 | N/A |
| | Over \$100 Million | 212 | \$126,732,945,428 | 0 | N/A |
| | Over \$250 Million | 101 | \$109,533,038,350 | 0 | N/A |
| | Over \$1 Billion | 25 | \$70,871,364,612 | 0 | N/A |
| 2018 | \$50 Million or Less | 210,419 | -\$338,775,457,783 | 0 | N/A |
| | Over \$50 Million | 502 | \$359,505,448,770 | 0 | N/A |
| | Over \$100 Million | 319 | \$346,761,504,238 | 0 | N/A |
| | Over \$250 Million | 170 | \$322,137,875,625 | 0 | N/A |
| | Over \$1 Billion | 44 | \$260,667,129,614 | 0 | N/A |
| 2019 | \$50 Million or Less | 205,587 | -\$374,466,964,758 | 0 | N/A |
| | Over \$50 Million | 469 | \$188,226,228,087 | 0 | N/A |
| | Over \$100 Million | 303 | \$176,776,455,348 | 0 | N/A |
| | Over \$250 Million | 153 | \$153,011,659,982 | 0 | N/A |
| | Over \$1 Billion | 33 | \$94,016,847,503 | 0 | N/A |

*Total corporate income/franchise tax due on line 13 of Form F-1120 is either positive or zero. It cannot be negative. A credit on line 12 of Form F-1120 cannot exceed the amount of tax due and cannot create a refund. A refund of Florida corporate income/franchise tax can occur only when a taxpayer paid more money into the state treasury than the tax that is due on the return (i.e., Line 16 – Payment Credits exceeds the Line 15 – Total of Lines 13 and 14, which is the tax due after credits and any penalty and interest due).

Question 3: For C-Corporations in the previous question (#2) that reported less than zero in Florida income/franchise tax due, for the four most recent tax years, how many received a negative tax that was refunded, how many applied the negative tax to future taxes, and how many applied the negative tax to other purposes? Can you specify what those other purposes were?

Response: See the footnote to question 2. The following data may also be helpful.

| | 2016 | 2017 | 2018 | 2019 |
|---|--------|--------|--------|--------|
| Number of Returns with Overpaid Tax Liability | 25,513 | 25,355 | 25,066 | 24,539 |
| Refund | 4,310 | 3,940 | 3,974 | 4,394 |
| Credit as Next Year Estimated Payment | 23,469 | 23,558 | 23,140 | 22,455 |
| Both – Refund & Credit* | 2,266 | 2,143 | 2,045 | 2,310 |

*Counted as Refund and as Credit above, so number of returns with overpaid tax liability equals number refunded plus number credited less both. A credit in this context means the taxpayer applied the overpayment as an estimated tax payment for the next taxable year.

Question 4: Provide the total amount of tax credits awarded through the Capital Investment Tax Credit (CITC) program over the past ten years. In addition, for the top 10 recipients based on cumulative tax credit awards over the past ten years, please provide the following information for the ten-year-period: total federal taxable income, total value of CITC tax credits awarded, number that reported zero or less state corporate income/franchise tax in any of the past ten years. Please provide the same information for the top 20 recipients based on cumulative tax credit awards, and for the top 50 recipients based on cumulative tax credit awards.

Response: We are unsure how to measure the CITC credit award for the top 10, 20 and 50 recipients because projects commence at different times, some taxpayers are claiming CITC credit for multiple projects, and some projects have multiple taxpayers claiming CITC credit. Please note that taxpayers may start claiming CITC credit in the taxable year the project commences, and they may claim CITC credit only if they have a tax liability upon which to apply the CITC credit.

| Year | Maximum Possible CITC Credits | CITC Credits Taken on Return | # of Projects - Operations Commenced | # of Projects Where Credit Claimed* | # of Returns claiming CITC |
|------|-------------------------------|------------------------------|--------------------------------------|-------------------------------------|----------------------------|
| 2010 | \$114,513,600 | \$25,189,515 | 7 | 6 | 7 |
| 2011 | \$120,535,280 | \$26,126,845 | 8 | 6 | 8 |
| 2012 | \$120,535,280 | \$16,965,589 | 8 | 5 | 6 |
| 2013 | \$120,535,280 | \$20,960,498 | 9 | 6 | 7 |
| 2014 | \$124,871,691 | \$22,200,631 | 12 | 8 | 9 |
| 2015 | \$144,720,801 | \$30,652,734 | 14 | 9 | 10 |
| 2016 | \$174,720,801 | \$33,961,698 | 21 | 11 | 13 |
| 2017 | \$174,798,833 | \$18,787,593 | 21 | 9 | 11 |
| 2018 | \$201,881,325 | \$53,220,652 | 23 | 12 | 20 |
| 2019 | \$206,584,725 | \$63,402,810 | 25 | 16 | 23 |

*A project is sometimes completed by more than one corporate income tax filer. Also, some taxpayers have more than one project.

| | Sum of Federal Taxable Income for Commenced Projects (sum of Line 1, F-1120) | Sum of Florida Tax Due After Credits (sum of Line 13, F-1120) | # of Returns in Commenced Projects with Zero Florida Corporate Income/Franchise Tax Due – Line 13, F-1120 |
|------|--|---|---|
| 2010 | 24,031,845,357 | \$68,716,955 | 6 Returns |
| 2011 | 21,295,838,243 | \$74,586,236 | 7 Returns |
| 2012 | 13,281,832,613 | \$26,892,128 | 8 Returns |
| 2013 | 13,953,003,704 | \$30,584,494 | 9 Returns |
| 2014 | 42,906,207,313 | \$56,385,169 | 10 Returns |
| 2015 | 50,048,264,070 | \$94,050,052 | 8 Returns |
| 2016 | 68,295,445,123 | \$113,386,860 | 10 Returns |
| 2017 | 31,603,042,395 | \$63,610,989 | 10 Returns |
| 2018 | 42,481,443,430 | \$155,107,487 | 12 Returns |
| 2019 | 37,314,996,685 | \$128,035,317 | 16 Returns |