

Hurricane Nicole Update:




Florida Corporate Income Tax Filers - The Department will follow the tax relief granted by the Internal Revenue Service (IRS) for affected taxpayers regarding the extension of Florida corporate income/franchise tax return due dates. For more information, review the [IRS announcement](#).

Florida Corporate Income Tax

The Florida corporate income/franchise tax is imposed on all corporations for the privilege of conducting business, deriving income, or existing within Florida. Corporations, including entities that are taxed federally as corporations, are subject to the tax.

A corporation's federal income, as adjusted by Florida additions, subtractions, and adjustments, is apportioned to Florida based on the corporation's activities in Florida compared to its activities everywhere. In most cases, this comparison includes the corporation's property, payroll and sales.

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/franchise tax return.
- **An LLC** classified as a **partnership** for Florida and federal income tax purposes must file a *Florida Partnership Information Return* (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/franchise tax return.
- **A single member LLC** disregarded for federal and Florida 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 a 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 the *U.S. Corporation Income Tax Return* (Federal Form 1120) must file *Florida Corporate Income/Franchise Tax Return* (Form F-1120 ) or the *Florida Corporate Short Form Income Tax Return* (Form F-1120A) regardless of whether any tax may be due. If you file the *U.S. Income Tax Return for Homeowners Associations* (Federal Form 1120-H), 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 income" for federal income tax purposes are subject to Florida corporate income tax and must file either Form F-1120  or Form F-1120A.



Tax Base and Rate

Florida corporate income/franchise tax 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 usually apportioned to Florida using a three-factor formula. The formula is a weighted average, designating 25% each to factors for property and payroll, and 50% 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 (\$50,000 as of December 31, 2015) to arrive at Florida net income.
- Finally, you should compute tax by multiplying Florida net income by the appropriate tax rate based on the following:

Taxable Year Beginning	Prior to 1/1/2019	1/1/2019 - 12/31/2020	1/1/2021 - 12/31/2021	On or After 1/1/2022
Tax Rate	5.5%	4.458%	3.535%	5.5%

Tax Incentives

There are several credits available against the corporate income tax. These include credits for paying salaries in Florida, credits for paying other taxes or assessments, and credits for making certain types of investments in Florida. See the Corporate Income Tax Incentives webpage for a comprehensive list. The *Florida Corporate Income/Franchise Tax Return* (Form F-1120 ) and the instructions (Form F-1120N ) also provide a list and explanation of available credits each year.

Due Date


Corporate income tax is reported using a *Florida Corporate Income/Franchise Tax Return* (Florida Form F-1120 ). Corporations must file Florida Form F-1120 each year, even if no tax is due. The due date is based on the corporation's tax year.

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

1. a. For tax years ending June 30, the due date is on or before the 1st day of the 4th month following the close of the tax year; or
 - b. For all other tax year endings, the due date is on or before the 1st day of the 5th month following the close of the tax year (e.g., Florida Form F-1120 is due on May 1, 2017, for a taxpayer with a taxable year end date of December 31, 2016).
2. The 15th day following the due date, without extension, for the filing of the related federal return for the taxable year.


If you file your return late, a penalty of 10% of any unpaid tax due with the return for each month or fraction thereof that the return is late, not to exceed a total penalty of 50% of unpaid tax, is charged. If no tax is due, the penalty for a late filed return is \$50 per month or fraction thereof that the return is late, not to exceed \$300. A floating rate of interest applies to underpayments and late payments of tax. Interest rates can be found on the Department's Tax and Interest Rates webpage.

Find due dates for the current year.


The *Florida Partnership Information Return* (Form F-1065 ) is due on or before the 1st day of the 4th month

following the close of the tax year.


Estimated Tax

If the corporation owes more than \$2,500 in Florida corporate income tax annually, estimated tax payments must be made on a *Declaration/Installment of Florida Estimated Income/Franchise Tax* (Florida Form F-1120ES ). Form F-1120ES may be filed electronically.

Generally, for tax years beginning prior to January 1, 2017, and for tax years ending June 30, the declaration or payment of estimated tax is 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. For tax years beginning on or after January 1, 2017, that end other than June 30, the declaration or payment of estimated tax is due on or before the last day of the 5th month, the last day of the 6th month, the last day of the 9th month, and the last day of the tax year.

If you underpay estimated tax, a penalty of 12% per year is charged. For more information, see *Underpayment of Estimated Tax* (Florida Form F-2220 ) and its instructions. A floating rate of interest applies to underpayments and late payments of tax. Interest rates can be found on the Department's Tax and Interest Rates webpage.

Extension of Time and Payment of Tentative Tax

To receive an extension of time to file your return, you must file a *Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return* (Form F-7004 ) with your tentative tax payment by the original due date of the Florida return. Form F-7004 may be filed electronically.

Extensions are valid for 6 months, with the exception of June 30 tax year end extensions that are valid for 7 months. An extension does not extend the due date for the payment of the tax due for the taxable year. For partnerships, the extension allows 6 months from the due date of the return to file.

The tentative tax payment with your request for an extension of time to file should be the balance of the tax due for the taxable year after subtracting any estimated tax payments and any overpayment credits from the prior year.

If you underpay your tentative tax by more than the greater of \$2,000 or 30 percent of the tax shown on the return when filed, the extension will be invalid and a late filing penalty will be imposed. If you underpay tentative tax by a lesser amount, a tentative penalty of 12% per year during the extension period is charged on the underpaid amount. The tentative penalty is calculated from the original due date of the return. A floating rate of interest applies to underpayments and late payments of tax. Interest rates can be found on the Department's Tax and Interest Rates webpage.

Qualifications to File a Florida Corporate Short Form F-1120A

A corporation that has zero tax due or owes less than \$2,500 in tax may file the *Florida Corporate Short Form Income Tax Return* (Form F-1120A) if the corporation:

- Has Florida net income of \$45,000 or less
- Conducts 100% of its business in Florida

- 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
- Is not included in a Florida or federal consolidated corporate income tax return
- Claims no tax credits other than tentative tax payments or estimated tax payments
- Is not required to pay Federal Alternative Minimum Tax

Florida Form F-1120A may be filed electronically.

Account Changes

When to Notify the Department


You must **notify the Florida Department of Revenue**, if you:

- Change your business name;
- Change your mailing address;
- Change your location address within the same county;
- Close or sell your business; or
- Your business becomes active and you will sell or rent taxable property or services.

The quickest way to notify the Department of these changes is to update your account online.

Active Corporations Not Required to File

If you are not required to file a Florida corporate income tax return, change your status to "**in business/not required to file.**"

- Example: You created a corporate income tax account with the Florida Department of Revenue through registration as a corporation for Florida taxes. You subsequently make a federal election to be a S corporation. Notify the Florida Department of Revenue of this change online, noting your account is in business, but does not have to file Florida corporate income tax returns. Enter the effective date of your federal S corporation election.
- Example: You are a new Florida corporation and your tax preparer filed *Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return* (Form F-7004 ) for you, along with all of the tax preparer's clients. When filing your federal income tax return, your tax preparer completes the federal S corporation election for you and files your initial federal income tax return on Form 1120S. Your tax preparer should submit notification of this change to the Florida Department of Revenue online, noting your account is in business, but not required to file corporate income tax returns and entering the effective date of the federal S corporation election.

File and Pay Tax

Taxpayers are required to file Florida corporate income tax returns electronically if required to file federal income tax returns electronically, or if \$5,000 or more in Florida corporate income tax was paid during the prior state fiscal year. For a list of the electronic payment deadlines, visit the Department's Forms and Publications webpage and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* (Form DR-659) under the eServices section.

File Using the Modernized e-File (MeF) Program

Most taxpayers use a software vendor known to the Florida Department of Revenue to prepare and file Florida corporate income tax returns. The vendor facilitates the filing of the Florida corporate income tax return through the Internal Revenue Service's (IRS) Modernized e-File (MeF) Program. These vendors can help you:

- File the Florida Corporate Income/Franchise Tax Return (Form F-1120)
- File the Declaration/Installment of Florida Estimated Income/Franchise Tax (Form F-1120ES)
- File the Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return (Form F-7004)
- Pay the amount due on the Florida Corporate Income/Franchise Tax Return (Form F-1120)
- Pay the estimated amount due on the Declaration/Installment of Florida Estimated Income/Franchise Tax (Form F-1120ES, 1st, 2nd, 3rd, and 4th installments)
- Pay the tentative amount due on the Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return (Form F-7004)

For more information about MeF, visit the IRS's Electronic Filing Options for Businesses and Self-Employed Taxpayers webpage.

Electronically File and Pay with the Department

You can use the Department's website to file and pay most Florida taxes, including the corporate income tax. You will need to enroll for eServices with the Department to use this option. Once enrolled, select "Corporate Income Tax File and Pay" from the File and Pay webpage to:

- File the Florida Corporate Short Form Income Tax Return (Form F-1120A)
- File Form F-7004
- Pay the corporate income tax due on Forms F-1120 and F-1120A
- Pay the tentative tax due on Form F-7004
- Pay the estimated tax due on Form F-1120ES for the 1st, 2nd, 3rd, and 4th installments

Electronically Pay with the Department

You also have the option to only make electronic payments. You must be registered with the Department for corporate income tax to use this option. By selecting "Tax/Fee/Remittance Payment Only" under "Pay a Bill or Make a Payment" section on the Department's File and Pay webpage, you can:


- Pay the corporate income tax due on Forms F-1120 and F-1120A
- Pay the tentative tax due on Form F-7004
- Pay the estimated tax due on Form F-1120ES for the 1st, 2nd, 3rd, and 4th installments

For more information on registering, visit the Department's Account Management and Registration webpage.

If the system you usually use to make a payment is unavailable, you can use one of the other options to ensure you pay timely.

Filing Using an Alternative or Hardcopy Form

If you are not filing electronically, you can purchase "alternative" forms software from a Department approved

alternative forms vendor  and use it to prepare and file a paper return. Before using software to prepare your alternative form, ask the vendor for proof that the forms in the software package have been approved by the Department. You can also download and print all Florida corporate income tax forms from the Department's Forms and Publications webpage. Be sure to print the forms in color if you are filing them.

If you need assistance, call the Department's Taxpayer Assistance at 850-488-6800 Monday through Friday, excluding holidays.