

Income/Franchise:

Florida DOR Permits Deconsolidated Filing Based on Changed Business Circumstances with Some Conditions

Technical Assistance Advisement, No. 24C1-002, Fla. Dept. of Rev. (5/15/24). The Florida Department of Revenue (Department) granted a Florida taxpayer's request for permission to cease filing Florida consolidated tax returns because the taxpayer successfully showed that since its initial election to file a Florida consolidated corporate income tax return, it had sufficient reasonable cause for doing so based on significant business changes – including significant acquisitions and business segment combinations that it had undertaken, and an overall shift in its business focus. However, the Department granted this permission subject to a number of conditions, including that:

URL: <https://floridarevenue.com/TaxLaw/Documents/24C1-002.pdf>

1. The taxpayer and its subsidiaries must have no intercompany unrealized or unrecognized items or deferred income or expenses that would normally be reported on a consolidated basis but may not be included in separately filed corporate income tax returns, and
2. Any deferred gains which are realized for federal purposes, but which have not yet been recognized, must be reported in total, on the income tax return filed by the taxpayer's group for a designated tax year.

Please contact us with any questions.

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