



Multistate tax controversy services

Florida controversy



The Florida landscape

- In an aggressive campaign to attract new business, the State of Florida has highlighted its rapid recovery from the recession, including sustained job growth and a budgetary surplus.
- Even with the improving state economy and related growth in tax revenue, changes in administrative policy and interpretations have led to increased enforcement efforts by the Florida Department of Revenue (FDOR).
- The Florida Legislature has recently granted to the FDOR Executive Director greater compromise authority regarding closing agreements

Navigating the complexities of Florida controversy

- Several options exist for contesting audit assessments:
- Prior to audit finalization, taxpayers may file a written informal protest with the FDOR.
- Informal protests are assigned to a Technical Assistance and Dispute Resolution conferee. The conferee reviews the arguments and may hold an informal conference with the taxpayer (or its representative) to resolve disputed issues.
- Upon completion of a tax audit, the taxpayer may file a Petition for Reconsideration for review by the Division of Administrative Hearings, or file an action in Circuit Court or the District Court of Appeal.
- Opportunities for settlement negotiations may exist during all stages of the audit.

Common issues in Florida tax

Corporate income tax:

- The FDOR is targeting out-of-state service providers and applying its market-based interpretation of the state's sales factor regulation.

Sales and use tax:

- Auditors are increasingly taking the position that revenue from service contracts and management agreements is taxable as fees for the license to use real property.

Property tax:

- Recent requirements related to valuation reassessment upon a change in ownership of real property and a change of control of a legal entity that holds real property have added new elements to the due diligence process for real property transactions and for transactions involving legal entities.

Why Deloitte?

Deloitte's Florida controversy team can help you explore potential opportunities with:

- Audits and appeals
- Refund requests
- Private letter rulings
- Penalty and interest abatements

Our proactive approach is based upon:

- Years of experience working with the FDOR
- In-depth knowledge of the state's procedures and informal policies
- Extensive experience involving remediation of uncertain tax positions, tax audit representation, ruling requests, and refund requests

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