

# **Bond Case Briefs**

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### **State Farm Mutual Automobile Insurance Company v. Florida Department of Revenue**

**District Court of Appeal of Florida, First District - January 17, 2024 - So.3d - 2024 WL 176973 - 49 Fla. L. Weekly D205**

After taxpayers, who were property and casualty insurance company and its subsidiaries, paid, under protest, assessed back taxes and interest they allegedly owed, taxpayers brought action against the Florida Department of Revenue to contest the legality of the assessment in full.

The Circuit Court granted Department's motion for summary judgment and denied taxpayers' summary judgment motion. Taxpayers appealed.

The District Court of Appeal held that calculation of adjusted federal income required addition of all interest earned from state and local bonds.

Calculation of property and casualty insurance companies' adjusted federal income, for purposes of determining companies' state corporate income tax, required addition of all interest earned from state and local bonds that was "excluded from taxable income" through subtraction from gross income for federal income tax purposes, even if a portion of that interest was also subtracted from companies' "losses incurred", which losses were then deducted from gross income to calculate federal taxable income; "excluded from" referred to specified items not included in, or subtracted from, sum to determine taxable income, interest and losses incurred were each specified items, and all bond interest was excluded from federal taxable income, even if interest was used in losses incurred calculation.