

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

January 20, 2006

Date of Report  
(Date of earliest  
event reported)

CONSOLIDATED-TOMOKA LAND CO.  
(exact name of registrant as specified in its charter)

FLORIDA (State or other jurisdiction of incorporation)	0-5556  (Commission File Number)	59-0483700  (IRS Employer Identification Number)
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1530 Cornerstone Boulevard, Suite 100  
Daytona Beach, Florida 32117  
(Address of principal executive offices) (Zip Code)

(386)274-2202  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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CONSOLIDATED-TOMOKA LAND CO.  
COMMISSION FILE NO. 0-5556  
EMPLOYER ID NO. 59-0483700

Item 8.01. Other Events.

On January 20, 2006, Consolidated-Tomoka Land Co., issued a press release stating the Company entered into a closing agreement with the Internal Revenue Service resolving a previously reported dispute related to the appropriateness of Internal Revenue Code Section 1031 tax deferred treatment utilized by the Company for three of its twelve sales transactions reported in its 2002 tax year.

A copy of the press release is furnished as an exhibit to this report.

Item 9.01. Financial Statements and Exhibits

The following exhibit is furnished herewith pursuant to Item 8.01 of this Report.

( c ) Exhibits.

99.1 Press Release issued January 20, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONSOLIDATED-TOMOKA LAND CO.

Date: January 20, 2006

By: /S/ Bruce W. Teeters

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Bruce W. Teeters, Senior  
Vice President - Finance  
and Treasurer  
Chief Financial Officer

PRESS RELEASE  
For Immediate Release

Date: January 20, 2006  
Contact: Bruce W. Teeters, Sr. Vice President  
Phone: (386) 274-2202  
Facsimile: (386) 274-1223

CONSOLIDATED-TOMOKA LAND CO. ANNOUNCES  
SETTLEMENT OF INCOME TAX ASSESSMENT

Daytona Beach, Florida - Consolidated-Tomoka Land Co. (AMEX-CTO) today announced it has entered into a closing agreement with the Internal Revenue Service (IRS) resolving a previously reported dispute related to the appropriateness of Internal Revenue Code (IRC) Section 1031 tax deferred treatment utilized by the Company for three of its twelve sales transactions reported in its 2002 tax year. The settlement, which affects tax year 2002 and all subsequent years, relates only to transactions within the Company's Development of Regional Impact (DRI). The DRI includes about 10% of the Company's acreage at December 31, 2005. Under the closing agreement, for the tax year 2002 the Company will reclassify approximately \$780,000 of previously deferred income taxes to income tax payable. For tax years after 2002, the settlement provides that, as to all DRI lands, 70% of gains and related income taxes on sales qualifying for IRC Section 1031 will receive tax deferred treatment. In accordance with the settlement, amended tax returns for years 2003 and 2004, will result in the reclassification of approximately \$3,170,000 of previously deferred income taxes to income taxes payable.

These reclassifications from deferred to current taxes payable do not affect any previously reported earnings.

Bill McMunn, president and chief executive officer, stated "This is a very important agreement in that it states the IRS position on 1031 exchanges originating within our DRI lands." He further stated, "Since converting long-held agricultural land into income-producing property is the Company's primary business activity, this agreement provides clarity in executing our current business model.

Consolidated-Tomoka Land Co. is a Florida-based Company primarily engaged in converting Company owned agricultural lands into a portfolio of income properties strategically located throughout the Southeast, and development, management, and sale of targeted real estate properties. Visit our website at [www.consolidatedtomoka.com](http://www.consolidatedtomoka.com)

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"Safe Harbor"

Certain statements contained in this press release (other than statements of historical fact) are forward-looking statements. The words "believe," "estimate," "expect," "intend," "anticipate," "will," "could," "may," "should," "plan," "potential," "predict," "forecast," "project," and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management.

The Company wishes to caution readers that the assumptions which form the basis for forward-looking statements with respect to or that may impact earnings for the year ended December 31, 2006, and thereafter include many factors that are beyond the Company's ability to control or estimate precisely. These risks and uncertainties include, but are not limited to, the market demand of the Company's real estate parcels, income properties, timber and other products; the impact of competitive real estate; changes in pricing by the Company or its competitors; the costs and other effects of complying with environmental and other regulatory requirements; losses due to natural disasters; and changes in national, regional or local economic and

political conditions, such as inflation, deflation, or fluctuation in interest rates.

While the Company periodically reassesses material trends and uncertainties affecting its results of operations and financial condition, the Company does not intend to review or revise any particular forward-looking statement referenced herein in light of future events.

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