

Step Up For Students - Florida Tax Credit Scholarship Program: Corporate Income Tax



The Florida Tax Credit program allows any company that pays Florida corporate income tax to redirect up to 100 percent of its tax to state approved scholarship funding organizations (SFOs) that provide education scholarships for low-income children. **It costs you NO extra dollars – the legislature has made it possible for your company to earmark up to 100 percent of its state corporate income tax payment to fund low-income student scholarships.**

Reserving your state tax credit

The process to enroll is very simple. Just click on this link to visit the FL DOR's web application: https://taxapp2.state.fl.us/gta/cit-sfo/index.cfm?fuseaction=dsp_sfo&bus_flag=1. Once you have received your approval, you can remit up to that amount directly to the SFO via check, wire or ACH by the last day of your fiscal year. You may apply more than once for credits during the year for a maximum of 100 percent of your net state corporate income tax. You will receive a written acknowledgement from the SFO. A copy of the acknowledgement must be included with your tax return to support the amount of tax credit taken. It's important to remember that the approval process does not oblige you to remit the funds to the SFO – it is merely a way for the DOR to ensure that the annual maximum (\$218,750,000 for 2012) in tax credits is not over-subscribed.

Remitting your payment to an SFO

Upon completing your enrollment on the DOR website, please send your DOR confirmation e-mail to Crystal Larocca at clarocca@stepupforstudents.org and she will send you a payment reminder and remittance instructions. Once you receive your approval letter from the DOR, payments can be made by check, wire or ACH. Payments must be made by the last day of your fiscal year.

The official acknowledgement for your remittance

Once the remittance is received, the SFO will promptly return an acknowledgement for each remittance (known as a Certificate of Contribution) to the company. It will list the name of the company remitting the funds, the company's tax ID number, the amount of the remittance and the date of the remittance (please remember that the payment must be made by the last day of the company's fiscal year). The company should retain the Certificates of Contribution in order to attach a copy to its state tax return.

Taking the credit on your state income tax return

A company using the "general" or "standard" method of determining its estimated quarterly payments should net the remittance amount from its state tax liability (after the application of any other allowable credits). For state income tax purposes, the remittance is treated as a credit against state income tax and is reported on line #14 of Schedule V (Credits Against the Corporate Income/Franchise Tax) on Form F-1120.

Unused tax credits can be carried forward for 5 years

If the company determines that it has insufficient tax liability to take the full credit (amount remitted is greater than 100 percent of net tax liability), it may carry forward the unused credit for up to five years. The company is required to apply for the carry forward each year using the DOR's same online form that it used to apply for the credit.