Florida Tax Credit Scholarship Program

Brief Summary

Step Up For Students is the only Florida SFO to consistently serve low-income students statewide since the program’s inception in 2001.

The Florida Tax Credit (FTC) Scholarship Program allows any company with certain types of Florida tax liabilities the unique opportunity to fund scholarships for underprivileged K-12 school children while earning dollar-for-dollar tax credits for contributions to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). Qualifying parents can use these scholarships to send their child to the public or private school that best meets their child’s needs.

The spirit of this law is to provide educational options to students who, because of financial circumstances alone, have none. Through this program, the state has created an opportunity for corporations to partner with nonprofit organizations and low-income families in an effort to create a brighter future for Florida’s children.

Companies can participate in the program by making a tax-credited contribution of one or more of the following tax liabilities:
- Corporate Income Tax – up to 100%
- Insurance Premium Tax – up to 100%
- Direct pay sales and use tax – up to 100%
- Alcoholic beverage excise tax – up to 90%
- Oil and/or gas production tax – up to 50%

For banks, there is an added benefit as examiners at bank CRA regulatory agencies have approved dollars transferred to fund scholarships through this program to qualify for positive consideration under the CRA investment test.

Since 2001, the corporate community has committed over $2.2 billion to this initiative, which has provided more than 475,000 scholarships for economically disadvantaged children. Step Up currently serves nearly 78,000 children annually through the support of such major corporations as 3M, AT&T, Circle K, GEICO, HCA, Lowe’s Companies, Raymond James Financial, UnitedHealthcare, U.S. Bank, VF Corporation, Verizon, Waste Management, Walgreen Co., Wells Fargo, YUM! Brands and many others.

About 58 percent of scholarship children are from single-parent households and nearly 70 percent are African-American or Hispanic. The average household income of benefitting families is $25,557 – merely 7 percent above poverty.

Parents, who find their children in these circumstances and care about their future, look for viable options. They seek an atmosphere that challenges and engages their child to reverse inappropriate learning and/or social patterns and the lifelong negative impact they imply. They wish to change their child’s learning environment, acquaintances and the unfortunate predictable outcomes associated with school failure.

Eight consecutive reports on the learning gains of tax credit scholarship students have revealed that scholarship students are keeping pace with all students nationally, regardless of income level. The reports have also found that program participants tend to be the lowest-performing students from underperforming public schools when they first enter the scholarship program.

In addition to the opportunity to provide scholarships to low-income children, an added benefit is that the program saves the state money.

Five independent research organizations have revealed that the Florida Tax Credit Scholarships that are administered by Step Up For Students offer significant savings to Florida taxpayers. Most recently, a March 2012 impact report published by the Florida Revenue Estimating Conference illustrated that the Florida Tax Credit Scholarship would save taxpayers $57 million during the 2013-14 fiscal year.

Donors to the scholarship program can also have confidence that they are giving to an organization with sound fiscal management. Step Up For Students’ commitment to accountability and transparency have earned it the 4-star rating from Charity Navigator, America’s largest independent charity evaluator, for nine separate fiscal years. In 2015, Step Up For Students earned 99.92 out of 100 possible points, which ranked it 4th among all nonprofits nationally. Step Up is also currently ranked #4 on Charity Navigator’s “10 Top Notch Charities” list.

Step Up has been recognized by many other national organizations for its achievements. In 2014, Forbes Magazine ranked Step Up For Students No. 30 on “The Largest U.S. Charities” listing and The Chronicle of Philanthropy ranked Step Up 60th overall among 400 nonprofits that have raised the most money in private support in 2013. In addition, Step Up was honored to be named the 2011 “Nonprofit of the Year” by the South Florida Hispanic Chamber of Commerce and was also named a finalist in the education category for “Nonprofit of the Year” in 2012 and 2015 by the Tampa Bay Business Journal.

This initiative has proven to be successful both in raising academic achievement levels and creating innovative cost savings for Florida. Your leadership will help us to expand this program so all of Florida’s children have the equal opportunity to achieve their maximum potential through education.