



# Florida Corporate Income Tax Credits

The Florida Tax Credit (FTC) Scholarship Program allows any company that pays Florida corporate income tax the unique opportunity to **fund scholarships for underprivileged K-12 schoolchildren while earning a dollar-for-dollar tax credit** for up to 100 percent of its tax liability to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). The funds 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.

## RESERVE CREDITS

The process to enroll is simple. Visit <https://taxapps.state.fl.us/sfo/AllocationApplication.aspx> to complete the Florida DOR's online application. Upon completing the form on the DOR website, please save a copy of the confirmation page for your records and e-mail a copy to Tim Bodamer at [tbodamer@sufs.org](mailto:tbodamer@sufs.org) and he will send you a payment reminder and remittance instructions.

You may apply more than once for credits during the year for a maximum of 100 percent of your net state corporate income tax. 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 in tax credits is not oversubscribed.

## REMITTANCE & ACKNOWLEDGEMENT

Once you receive your approval letter from the DOR, payments can be made by check, wire or ACH. According to [Section 1002.395\(5\)\(f\), Florida Statutes](#), as of July 1, 2014 contributions may be deducted from installment payments for purposes of meeting the prior year exception rule. The Florida DOR [TIP 14ADM-04](#) explains the computation further. Payments must align with the installment schedule or be made by the last day of your fiscal year.

Once the remittance is received, the SFO will promptly return an acknowledgement for each remittance, known as a Certificate of Contribution. 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 payments must be made within the company's fiscal year. The company should retain the Certificates of Contribution in order to attach a copy to its state tax return.

## REPORT THE CREDIT

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. *Please note that any state tax liability remaining after the credits are reserved should be paid as normal estimated tax payments to the Florida DOR.*

As of July 1, 2014 Florida law permits the tax credit to be transferred between members of an affiliated group of corporations, but the tax credit cannot be transferred between taxes. Companies must notify the Florida DOR in writing of their intent to transfer credits. See Florida DOR [TIP 14ADM-03](#) for more information.

## CREDIT CARRY FORWARD

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.

For more information, please call Debbie Woerner at (866) 344-9553

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