

# Insurance Premium Tax Credits

Through the Florida Tax Credit (FTC) Scholarship Program ([Florida Statute 1002.395](#)), dollar-for-dollar tax credits are provided to companies that redirect their insurance premium tax to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). Up to 100 percent of a corporation's net insurance premium tax liability is eligible. The funds provide K-12 scholarships to disadvantaged children.

When companies invest in our program, they make a lasting impact on the lives of scholarship students and inspire a brighter future through personalized education. **Taximize** is the word we've coined to describe how a company can optimize its tax liability to invest in underprivileged students through dollar-for-dollar tax credits. **Will you taximize?**

## STEP 1: RESERVE

Enrolling online is easy - visit <https://taxapps.floridarevenue.com/sfo/AllocationApplication.aspx> and complete the Florida DOR's online application. Companies may apply for credits any time before the annual tax return is due on March 1 following the tax year. Companies may apply for credits more than once and will be approved if credits are available in the funding cap. Reserving credits does not oblige a company to remit the funds— it is merely a way for the DOR to ensure that the annual maximum in tax credits is not oversubscribed.

## STEP 2: REMIT

Payments can be made by check, wire or ACH. Upon receipt of payment, Step Up For Students will provide a Certificate of Contribution. All payments to Step Up will be used to offset any of the company's prior year exception for estimated installments, regardless of timing. Any payments must be made on or before the annual tax return is due on March 1 following the tax year to qualify for the tax credit.

## STEP 3: REPORT

The tax credit is reported on the Florida annual tax return on Line 9 of Schedule III (Florida Tax Credit Scholarship Program Credit) on Form DR-908. The DOR approval letter and Certificate(s) of Contribution are required to substantiate the tax 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). 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.

## ADDITIONAL INFORMATION

**Transferring Credits:** The tax credit can be transferred between members of an affiliated group of corporations, but not between tax types. Companies must notify the Florida DOR in writing of their intent to transfer credits. The Notice of Intent to Transfer Credits can be found on the Florida Department of Revenue website at [http://floridarevenue.com/Forms\\_library/current/dr116200.pdf](http://floridarevenue.com/Forms_library/current/dr116200.pdf).

**Credit Carry Forward:** If a company determines it has insufficient tax liability to take the full credit (amount remitted is greater than 100 percent of net tax liability), companies may carry forward the unused credit. For tax credits earned in a taxable year beginning on or after Jan. 1, 2018, the carry-forward period is 10 years for contributions made on or after Jan. 1, 2018. Contributions made in a taxable year prior to Jan. 1, 2018, fall under the previous limit of five years.

**Rescission:** Sometimes it is necessary for a corporation to rescind all or part of their pledge(s). By completing a rescindment application, your company is releasing your reserved tax credits back into the program cap, allowing other companies to step in and fulfill that amount. There is no penalty for rescinding a pledge. To complete the rescindment application on the FL DOR website, please go to: <https://taxapps.floridarevenue.com/sfo/RescindmentApplication.aspx>

Detailed instructions are available to guide you through enrollment and/or rescindment. Please contact Tim Bodamer at [TBodamer@SUFS.org](mailto:TBodamer@SUFS.org) or (866) 344-9553 for more information.