

Corporate Income Tax Credits

Through the Florida Tax Credit (FTC) Scholarship Program ([s. 1002.395, Florida Statutes](#)), dollar-for-dollar tax credits are provided to companies that redirect their corporate income tax to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). Up to 100 percent of a corporation's 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 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.

For tax years starting on or after Jan. 1, 2018, payment may be made by the date your company is required to file its Florida corporate income/franchise tax return for that tax year, including any valid extended due date. To avoid potential penalties associated with the failure to pay the required tentative taxes, tax credits should be reserved within a corporation's fiscal year or before requesting an extension of time to file the return. Additionally, contributions to Step Up count toward any estimated payment and reduce the corporation's exposure for underpayment penalties. Together, this flexibility allows corporations to maximize the value of their money while reducing the risk with planning. For more information, refer to Florida DOR [TIP No. 18ADM-03](#).

For tax years starting prior to Jan. 1, 2018, payment must be received by the company's fiscal year end. When made in accordance with the state's estimated tax payment schedule, contributions to Step Up count in the calculation of the prior year exception.

STEP 3: REPORT

The tax credit is reported on the Florida annual tax return on Line 13 of Schedule V (Credits Against the Corporate Income/Franchise Tax) on Form F-1120. 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. See Florida DOR [TIP 14ADM-03](#) for additional information. 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.

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: By completing a rescindment application, your company is releasing your reserved tax credits back into the program cap. 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, transferring credits and/or rescindment. Please contact Tim Bodamer at TBodamer@SUFS.org or (866) 344-9553 for more information.



CIT: Credits & Estimated Payments

Through the Florida Tax Credit (FTC) Scholarship Program ([s. 1002.395, Florida Statutes](#)), dollar-for-dollar tax credits are provided to companies that redirect certain tax liabilities to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). The funds provide K-12 scholarships to disadvantaged children.

Up to 100% of a company’s corporate income tax liability is eligible for the dollar-for-dollar tax credit. The tax credit is reported on the Florida annual tax return on Line 13 of Schedule V (Credits Against the Corporate Income/Franchise Tax) on Form F-1120. Any payments must be made on or before the date the corporation is required to file a return pursuant to section 220.222, Florida Statutes. Any state tax liability remaining after the credits are reserved should be paid as normal estimated tax payments to the Florida DOR.

FTC CONTRIBUTIONS AND MINIMUM ESTIMATED TAX PAYMENTS	
“General” Calculation	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). As such, companies have flexibility to select a payment schedule that works best for the corporation.
“Prior Year Exception” Calculation	Beginning with fiscal years that start in the 2018 calendar year, corporations have the ability to apply the earned tax credit to <u>any</u> estimated tax payment for purposes of calculating the prior year exception, thereby avoiding penalties and interest associated with the underpayment of any estimated taxes. Contributions made at any time will offset the first estimated tax payment and any remainder will be carried forward to offset subsequent estimated payments.

UTILIZING FTC CREDITS TO MAXIMIZE THE TIME VALUE OF MONEY

A corporation redirecting 100% of its corporate income tax can maximize the time value of money when paying Step Up For Students in one lump-sum, in accordance with a corporation’s annual return filing or extension return filing. To avoid potential penalties associated with the failure to pay the required tentative taxes, tax credits should be reserved within a corporation’s fiscal year or before requesting an extension of time to file the return.

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. See Florida DOR [TIP 14ADM-03](#) for additional information. 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.

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