



# Direct Pay Sales & Use Tax Credits

## For Companies with Self-Accrual Authority

Through the Florida Tax Credit (FTC) Scholarship Program ([Florida Statute 1002.395](#)), dollar-for-dollar tax credits are provided to companies that redirect their direct pay sales and use 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 during the year and will be approved if credits are available in the funding cap. 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.

### STEP 2: REMIT

Once you have received your approval letter from the DOR, you can remit the lesser of 1) the amount approved or 2) up to 100 percent of each month's tax directly to Step Up For Students. Payments can be made by check, wire or ACH. Upon receipt of payment, Step Up For Students will provide a Certificate of Contribution. Your final payment must be made no later than the last day of the state's fiscal year – June 30.

### STEP 3: REPORT

Before a credit can be claimed on a sales and use tax return, you must submit a copy of the Certificate of Contribution to the Florida Department of Revenue at [RevenueAccounting@floridarevenue.com](mailto:RevenueAccounting@floridarevenue.com) or via fax to (850) 245-8984. Upon receipt of the Certificate of Contribution, the DOR will send you an acknowledgement letter with instructions on how to claim your credit as follows:

- Complete Line 21 (Other Authorized Credits) on the back of your sales and use tax return.
- Carry the amount forward to Line 8 (Less Estimated Tax Paid/DOR Credit Memo) on the front of your sales and use tax return.
- The total amount of the credit claimed for the month cannot exceed Line 7 (Total Tax Due).

A copy of the Certificate of Contribution should also be attached to the return when it is filed.

### 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 more information. The Notice of Intent to Transfer Credits can be found on the FL DOR 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, credit carry forward and/or rescindment. Please contact Tim Bodamer at [TBodamer@SUFS.org](mailto:TBodamer@SUFS.org) or (866) 344-9553 for more information.