

# Florida Tax Credit Scholarship Program Direct Pay Permit Holder Sales and Use Tax



AAA Scholarship Foundation (AAA) is a 501 (c)(3) nonprofit organization and state approved Scholarship Funding Organization (SFO) that exclusively serves eligible low-income children through the Florida Tax Credit Scholarship Program which allows any company that holds a Florida direct pay sales and use tax permit to redirect up to 100 percent of its tax to AAA in order to fund K-12 education scholarships for eligible, low-income children. **It costs you NO extra dollars** – the legislature has made it possible<sup>i</sup> for your company to earmark up to 100 percent of its direct pay sales and use tax payments to fund low-income student scholarships.

## Reserving your state tax credit

The process to enroll is very simple. Just click on this link to visit the FL DOR's web application: <https://taxapps3.state.fl.us/SFO/AllocationApplication.aspx> and choose AAA Scholarship Foundation under the Contribution to SFO Section. You may apply once for the entire state fiscal year (July 1- June 30) or as many times during that year as you like for a maximum of 100 percent of your projected annual (July – June) direct pay sales and use tax liability. It's important to remember that the approval process does not oblige you to remit the funds to AAA-it is merely a way for the DOR to ensure that the annual maximum (\$699 million for 2017) in tax credits is not over-subscribed.

## Remitting your payment to a SFO

Upon completing your enrollment on the DOR website, please send your DOR confirmation e-mail to Kim Dyson at [Kim@aaascholarships.org](mailto:Kim@aaascholarships.org) and she will send you a payment reminder and remittance instructions tailored for your corporation. Once you receive 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 liability directly to AAA via check, wire or ACH.

## The official acknowledgement

Once the remittance is received, AAA will promptly return an acknowledgement for each remittance (known as a Certificate of Contribution) to your company. 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 payment must be made by the last day of the state's fiscal year – June 30).

## Taking the credit on your state tax return

Before a credit can be claimed on a sales and use tax return, you must submit a copy of the Certificate of Contribution from each SFO to the Florida Department of Revenue at [RevenueAccounting@floridarevenue.com](mailto:RevenueAccounting@floridarevenue.com) or via fax at (850) 245-8984.

Within 10 working days, the Department of Revenue will respond with the following instructions on how to claim the credit on your return:

- Complete Line 21(a) (Scholarship Fund Credit) on the back side 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).

*Please note that any state tax liability remaining after the remittance is netted should be paid as normal estimated tax payments to the Florida DOR.*

## Unused credits can be carried forward for 5 years

If the company determines that it has insufficient tax liability to take the full credit (amount remitted is greater than 100 percent of net annual tax liability), it may carry forward the unused credit for up to five years using the DOR's same online form that it used to apply for the credit.

<sup>i</sup> s. 212.1831, F.S.



AAA Scholarship Foundation Inc (AAA Scholarships) is a GuideStar Exchange Platinum Participant

This organization has earned the GuideStar Exchange Seal, demonstrating its commitment to transparency.

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