

Florida Tax Credit Scholarship Program – Corporate Income 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 pays Florida corporate income tax to redirect up to 100 percent of its tax liability 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 for your company to earmark up to 100 percent of its state corporate income tax liability 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. Once you have received your approval, you can remit up to that amount directly to AAA via check, wire or ACH by the last day of your fiscal year. You may apply more than once for credits during the year for a maximum of 100 percent of your net state corporate income tax. You will receive a written acknowledgement from AAA. A copy of the acknowledgement must be included with your tax return to support the amount of tax credit taken. 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 (\$874 million for 2018) in tax credits is not over-subscribed.

Remitting your payment to AAA

Upon completing your enrollment on the DOR website, please send your DOR confirmation e-mail to Kim Dyson at Kim@aaascholarships.org and she will send you a payment reminder and remittance instructions. Once you receive your approval letter from the DOR, payments can be made by check, wire or ACH. Payments must be made by the last day of your fiscal year. Your remittances may also be made by the estimated tax installment due dates in order to help meet the prior year exception rule.

The official acknowledgement for your remittance

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 company's fiscal year). The company should retain the Certificate of Contribution in order to attach a copy to its state tax return.

Taking the credit on your state income tax return

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 #13 of Schedule V (Credits Against the Corporate Income/Franchise Tax) on Form F-1120. *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.* Effective for 2018, Florida law allows you to apply your remittance to any estimated tax payment when determining whether you've met the prior year exception.

Unused credits can be carried forward for 10 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 tax liability), it may carry forward the credit for up to 10 years. Effective for 2018, you are no longer required to apply with the the DOR to take advantage of this carry forward provision.



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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