

Florida Sales Tax Credit Scholarship Program – Commercial Lease Sales 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 Sales Tax Credit Scholarship Program, which allows any company that pays Florida state commercial lease sales 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 commercial lease sales tax liability to fund low-income student scholarships.

Reserving your state tax credit

The process to enroll is very simple. Visit the FL DOR's web application: <https://taxapps.floridarevenue.com/CommercialRentalScholarship/Application/Form> and create a secure account to begin an application. Next, select "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 the state fiscal year (June 30). You may apply more than once for credits during the year for a maximum of 100 percent of your net state commercial lease sales tax. You will receive a written acknowledgement from AAA. A copy of the FL DOR approval letter, along with the AAA acknowledgement, must be provided to your landlord to support the amount of sales tax credit earned. 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 (\$57.5 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 a payment reminder and remittance instructions to you. 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 the state fiscal year (June 30). Your remittances may also be made in monthly or quarterly installments.

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 state fiscal year – June 30). You should retain the original Certificate of Contribution in your files. A copy should be provided to your landlord to indicate that you have earned the sales tax credit.

Taking the credit against your state sales tax

After you receive a Certificate of Contribution, you may take the earned sales tax credit against the state sales tax on rent or license fees for commercial rental property due to your landlord. The credit may only be taken against state sales tax paid on or after October 1, 2018. The credit does not apply to discretionary sales surtax. When taking the tax credit against the state tax due, provide your landlord a copy of the FL DOR approval letter and the Certificate of Contribution issued by AAA. Remember to retain the original letter and Certificate in your records.

Unused credits can be carried forward for 10 years

If you are unable to use the total amount of the available tax credit on a single rent or license fee due to an insufficient amount of tax due, you may take a credit against future rent or license fees due to the landlord for a period of up to ten years.



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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Tax Information Publication

TIP

No: 18A01-15

Date Issued:
August 27, 2018

New Florida Sales Tax Credit Scholarship Program Tax Credits Available October 1, 2018

The Florida Sales Tax Credit Scholarship Program authorizes the tenant of a commercial rental property to receive a credit against the state sales tax due under section 212.031, Florida Statutes, on rent, lease, or license fee payments due on or after October 1, 2018, for contributions paid to an eligible nonprofit scholarship-funding organization. The Florida Department of Education establishes the eligibility of nonprofit scholarship-funding organizations to participate in the Program. Tenants of commercial rental property apply to the Florida Department of Revenue to receive an allocation of the funds available for sales tax credits each state fiscal year (July 1 - June 30).

As a landlord, you will need to provide your federal employer identification number, if available, to any tenant desiring to participate in the Program. If you do not have a federal employer identification number, provide your sales tax registration number for the commercial rental property to the tenant.

When program funds are available and a tenant is eligible to receive a credit allocation, a letter indicating the amount of credit allocation approved will be issued by the Department to the tenant. Before receiving a tax credit, the tenant must make a monetary contribution to the designated eligible nonprofit scholarship-funding organization. The organization receiving the contribution will issue a certificate of contribution containing the amount of the contribution and the date received.

Once a tenant receives a certificate of contribution, the tenant may take a credit against the state sales tax due on the rent, lease, or license fees paid to you **on or after October 1, 2018**. The tenant will provide you a copy of the credit allocation approval letter issued by the Department and the certificate of contribution issued by the eligible nonprofit scholarship-funding organization to document the tax credit. Retain these documents in your records.

You may take the tax credit against the state sales tax due to the Department. Any discretionary sales surtax due must be paid. If your tenant is unable to use the total amount of the available tax credit on a single rent or license fee due to an insufficient amount of state tax due, they may take the credit against future rent or license fees due for a period of up to 10 years.

To receive the tax credit, you must file an electronic *Sales and Use Tax Return* (Form DR-15) and pay the tax due electronically. The total rent, lease, or license fee, and the state sales tax that would otherwise be due, plus any applicable discretionary sales surtax, must be reported on Line C., Commercial Rentals. On new Line C(a)., Less Sales Tax Scholarship Credits, report the amount of the tax credit.

You may not amend your sales and use tax return to claim the tax credit; however, you may report the tax credit on your next tax return.

If you are filing the shorter Form DR-15EZ and need to report this credit, call the Department's Taxpayer Services at 850-488-6800 Monday through Friday, excluding holidays, to change your filing return to Form DR-15.

For more information, visit the Department's Florida Sales Tax Credit Scholarship Program web page at floridarevenue.com/taxes/sfo.

References: Section 6, Chapter 2018-6, Laws of Florida; Section 212.099, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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