

Florida Tax Credit Scholarship Program – Insurance Premium 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 insurance premium tax to redirect up to 100 percent of its tax liability (after the application of any other allowable credits) 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 premium 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://taxapps.state.fl.us/sfo/AllocationApplication.aspx> and choose AAA Scholarship Foundation under the Contribution to SFO Section. 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.

Remitting your payment to a SFO

Once you have received your approval from the DOR, you can remit up to that amount directly to AAA via check, wire or ACH by December 31, 2018. You may apply more than once for credits during the year for a maximum of 100 percent of your net insurance premium tax. You will receive a written acknowledgement from AAA for each remittance. 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 2019) in tax credits is not over-subscribed.

Unused tax 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, no separate application is required when carrying forward.

Taking the credit on your state income tax return

For insurance premium tax credit purposes, the credit for the FTC Scholarship Program is taken on Line 10 of Schedule III (Credits Against the Premium Tax) on Form DR-908.

Determining your maximum remittance

100% limitation calculation	
Insurance Premiums	\$25,000,000
x Tax Rate	1.75%
Insurance Premium Tax	437,500
Less Allowable Credits:	
Deduction under s. 440.51 F.S. (Workers Comp Assessment)	-12,031
Credits under s. 175.101 & 185.08 F.S. (Firefighter & Police Pension Fund)	-11,813
Credits under ch. 220 & 221 F.S. (Income and Emergency Excise Tax) and s. 624.509(5) (salary credit)	-284,375
= Net Insurance Premium Tax	129,281
Maximum Credit Allowed (100% of Net Insurance Premium Tax)	129,281
Amount Remitted to Fund Scholarships	129,281
Credit Allowed	\$129,281

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.



AAA Scholarship Foundation is a 501(c)(3) nonprofit organization. The Florida Tax Credit Scholarship Program is the largest source of income for eligible children in the state.

For more information contact: Kerri Vaughan kerri@aaascholarships.org • 786-367-0823
 Corporate Office: PO Box 15719, Tampa, FL 33684-0719 • Phone and Fax: 888-707-2465 • Website: www.aaascholarships.org