



## 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) administering the Florida Tax Credit Scholarship Program. Initial recipients of these K-12 educational scholarships are low-income families seeking economic assistance to send their children to the educational setting that best suits their learning needs. This program allows any company that pays Florida insurance premium tax to redirect up to 100 percent of its tax liability to AAA in order to fund K-12 education scholarships for eligible 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 insurance premium tax liability to fund student scholarships.

### To Reserve 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, 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. Starting with the 2019 taxable year, you now have up to the due date of your insurance premium tax return to apply for credits each year (previously, the deadline was December 31<sup>st</sup>). 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 2022) in tax credits is not over-subscribed.

### Remitting Your Payment:

Once you have received your approval from the DOR, you can remit up to that amount directly to AAA via check, wire or ACH no later than the due date of your insurance premium tax return, March 1. You may apply more than once for credits during the year for a maximum of 100 percent of your net insurance premium tax.

### Official Acknowledgement:

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. Florida law allows you to apply your remittance toward any estimated tax payment due for the year when determining whether you've met the prior year exception.

### Unused Credits:

If you determine that your company has insufficient tax liability to take the full credit (amount remitted is greater than 100 percent of net tax liability), you may carry forward the credit for up to 10 years. No separate application is required to be filed in order to carry forward a credit. For insurance premium tax credit purposes, the credit for the FTC Scholarship Program is taken on Line 9 of Schedule III ("Credits Against the Premium Tax") on Form DR-908.

### Example of How to Determine Your Maximum Remittance:

<b>100% limitation calculation</b>	
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
<b>Credit Allowed</b>	<b>\$129,281</b>

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 Inc. (AAA Scholarships) has earned the Platinum Nonprofit Seal of Transparency, the highest level of recognition offered by Candid, the world's largest source of nonprofit information.

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A school tuition organization cannot award, restrict or reserve scholarships solely on the basis of a donor's recommendation. A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent.