

Insurance Premium Tax Credits

Florida Tax Credit Scholarship Program



Take the credit – and help students attend a school that best meets their needs. Companies that partner with Step Up For Students fund K-12 scholarships for children in Florida with dollar-for-dollar tax credits through the Florida Tax Credit (FTC) Scholarship Program. Up to 100% of a company's liability is eligible. With K-12 scholarships worth around \$8,000, your company's tax liability can make a big difference in the lives of Florida students.

RESERVE

Easily enroll online with the [Florida Department of Revenue's online application](#). Companies may apply for credits more than once and will be approved if credits are available in the funding cap. Reserving credits does not oblige a company to remit the funds – it is merely a way for the Florida DOR to ensure the annual maximum in tax credits is not oversubscribed.

REMIT: Credits & Estimated Payments

Payments are made directly to Step Up For Students via check, wire or ACH. Upon receipt, Step Up provides a Certificate of Contribution. Payments must be remitted before filing the annual tax return to qualify for the tax credit and may be used to offset any installment tax payment amount required to meet the prior year exception (see [TIP 19B8-01](#)) Any state tax liability remaining after the credits are reserved should be paid as normal estimated tax payments to the Florida DOR.

One hundred percent of an eligible contribution is allowed as a credit against any tax due for a taxable year after deducting from such tax: 1) Deductions for assessments made pursuant to [Section 440.51](#), Florida Statutes (F.S.) - Workers' Compensation Administrative Assessments; 2) Credits for taxes paid under Sections [175.101](#) and [185.08, F.S.](#) - Firefighters' and Police Officers' Pension Trust Funds; 3) Credits for income tax paid under [Chapter 220, F.S.](#); and 4) Credit allowed under Section [624.509\(5\)](#), F.S., as such credit is limited by Section [624.509\(6\)](#), F.S., the 65% limitation.

Theoretically, if a taxpayer's earned tax credits equal or exceed 81% (27% x 3) of the net tax due, then the taxpayer may fully avoid any underpayment of installment payments. For example:

2022 net tax due	2023 projected tax due	Company does not participate in FTC	Company participates in FTC
\$100,000	\$128,000 after credits (\$32,000/quarter)	Lesser of: <ul style="list-style-type: none">• 90% current quarter = \$28,800 x 3• 27% net prior year = \$27,000 x 3 Paid before 15 th of April, June, and October to avoid penalty	Earned tax credits of \$81,000 or more before March 1, 2024 will avoid all penalties (\$27,000 x 3) and further reduce the tax payment due on the final return

REPORT

The tax credit is reported on Schedule III, Line 11 (Florida Tax Credit Scholarship Program Credit) of the Florida Insurance Premium Tax and Fees Return ([Form DR-908](#)). DOR approval letter(s) and Certificate(s) of Contribution are required to substantiate the tax credit.

ADDITIONAL INFORMATION

Credit Carry Forward: Earned, unused credits are automatically carried forward for up to 10 years. Credits earned in a taxable year prior to January 1, 2018, fall under the previous limit of five years.

Transferring Credits: Credits of the same tax type can be transferred between members of an affiliated group of corporations. Refer to: [TIP 14ADM-03: http://floridarevenue.com/Forms_library/current/dr116200.pdf](#).

Rescission: There is no penalty for rescinding credits that will not be utilized. A rescindment application can be completed at: <https://taxapps.floridarevenue.com/sfo/RescindmentApplication.aspx>.