

**Florida Department of Revenue
Tax Information Publication**

**TIP 06C01-02
Date June 30, 2006**

**Corporate Income Tax and Franchise Tax Credit for Contributions to Nonprofit
Scholarship Funding Organizations**

**Changes made by Section 2 of Chapter 2006-75, Laws of Florida
Effective July 1, 2006**

Instead of 5% of the annual allotment being reserved for small businesses, only 1% will be reserved for small businesses.

Instead of being limited to receiving credit for a contribution up to a maximum of \$5 million per nonprofit scholarship-funding organization, no maximum limit is provided. Therefore, if a taxpayer is approved, they may receive credit for contributions of more than \$5 million to a single eligible nonprofit scholarship-funding organization.

For tax years beginning on or after January 1, 2006, a taxpayer may apply to the Department for rescindment of all or part of a previously approved credit allocation for a contribution to a nonprofit scholarship-funding organization. A separate application is required for the rescindment of each previously approved credit allocation.

The rescindment will be approved unless:

- (1) The taxpayer has had more than one approved rescindment of this credit within the last three (3) tax years.
- (2) The previously approved credit allocation amount to be rescinded has been claimed as a credit on a previously filed Florida corporate income tax return.
- (3) The allocation year is closed for all taxpayers. The allocation for a particular year is closed for all taxpayers at the end of the subsequent calendar year. For example, the allocation year beginning January 1, 2006, closes for all taxpayers on December 31, 2007. Whether or not the annual allotment has been reached, there is no tax year remaining open for calendar year 2006 as of December 31, 2007.

To better serve Florida corporate income taxpayers, and reduce processing costs, applications for rescindment of this credit may be made online at www.myflorida.com/dor. Click on the e-Services icon, and then click on the appropriate Quick-link. Taxpayers that paid \$30,000 or more in corporate income tax in the state fiscal year prior to application for rescindment must apply online.

References: Sections 220.187, Florida Statutes (2006); Chapter 2006-75, Laws of Florida (House Bill 256, 2006 Legislative Session).

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 our Internet site at www.myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.