



Florida Department of Revenue  
Tax Information Publication

**TIP**

No: 09C01-02

Date Issued:  
June 12, 2009

**Corporate Income Tax and Insurance Premium Tax Credit for Contributions to Nonprofit Scholarship Funding Organizations, Sections (s.) 220.187 and 624.51055, Florida Statutes (F.S.)  
Changes Effective July 1, 2009**

The credit for contributions to nonprofit scholarship funding organizations (SFO) has been expanded to allow credits against corporate income tax or insurance premium tax. The combined corporate income tax and insurance premium tax amount of authorized tax credits, including carried forward tax credits, is \$118 million annually. Applications for this credit, including application to claim carried forward credits, may be made online at [www.myflorida.com/dor](http://www.myflorida.com/dor). Taxpayers who paid \$20,000 or more in corporate income tax or insurance premium tax in the state fiscal year before application must apply online.

For corporate income tax, when computing the alternative minimum tax credit, the credit for contributions to nonprofit scholarship funding organizations provided in s. 220.187, F.S., is not taken into account in determining the amount the alternative minimum tax is over the regular corporate income tax, after credits. This change should allow taxpayers in alternative minimum tax situations to receive the full benefit of a contribution to an SFO.

Contributions to an SFO are not installment payments of corporate income tax or insurance premium tax. Taxpayers must make installment payments to the Department of Revenue in accordance with s. 220.34, F.S., and Rule 12C-1.034, Florida Administrative Code (F.A.C.), for corporate income tax and s. 624.5092, F.S., and Rule 12B-8.001, F.A.C., for insurance premium tax.

Taxpayers (insurers) subject to the insurance premium tax contained in s. 624.509, F.S., may only claim credit for eligible contributions they made to an SFO against their insurance premium tax liability.

All other taxpayers may only claim credit for eligible contributions made to an SFO against their corporate income tax liability.

Section 624.51055, F.S., governs the credit against the insurance premium tax. It provides for a credit of 100% of an eligible contribution made to an eligible SFO as provided in s. 220.187, F.S., against any net tax due for a taxable year under s. 624.509(1), F.S. However, the credit may not exceed 75% of the tax due under s. 624.509(1), F.S., after deducting from such tax:

1. deductions for assessments made pursuant to s. 440.51, F.S. (workers compensation administrative assessments),
2. credits for taxes paid under sections 175.101 and 185.08, F.S. (firefighter's and police officers' pension trust funds), and
3. credits for income taxes and emergency excise taxes paid under Chapters 220 and 221, F.S., and the salary credit allowed under s. 624.509(5), F.S., as these are limited by s. 624.509(6), F.S.

An insurer claiming a credit against its insurance premium tax liability is not required to pay any additional retaliatory tax as a result of claiming such credit. Therefore, insurers will add back the amount of credit for eligible contributions they made to nonprofit scholarship-funding organizations that was deducted in the computation of the net premium tax.

Provisions of s. 220.187, F.S., not inconsistent with the provision of s. 624.51055, F.S., apply to the credit authorized by s. 624.51055, F.S. This includes definitions, the credit application process, the rescindment provisions, the preservation of credit provisions, and the administrative provisions, including the three year credit carryover provision.

### **Application Due Before July 31, 2009, for Certain Insurance Companies**

An insurance company that:

1. filed corporate income tax returns on a separate-company basis,
2. made an eligible contribution under s. 220.187, F.S., for its tax year that began during calendar year 2006, 2007, or 2008, and
3. did not receive a dollar-for-dollar benefit for making the contribution, taking into account its net corporate income tax liability and corresponding insurance premium tax liability

may apply to the Department of Revenue by July 31, 2009, to apply the credits against its 2009 corporate income tax liability and carry over unused credit amounts as allowed by s. 220.187, F.S.

An insurer's scholarship credit amounts from 2006, 2007, and 2008 that are applied/moved to 2009 shall be treated as corporate income taxes paid for purposes of computing the amount of the corresponding insurance premium tax.

Notwithstanding sections 95.091 and 215.26, F.S., the insurer must file amended corporate income tax returns as part of its application for its tax years that began during calendar years 2006, 2007, and 2008 in order to remove all credits claimed under s. 220.187, F.S., for those years and correct the amount of corporate income tax paid. The insurer must also file amended insurance premium tax returns as part of its application. The application should be mailed to:

Florida Department of Revenue  
Technical Assistance & Dispute Resolution Section  
Attn: Robert DuCasse  
P.O. Box 7443  
Tallahassee, FL 32314-7443

**References:** Chapter 2009-108, Laws of Florida; Sections 213.755, 220.187, and 624.51055, Florida Statutes (2009)

**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](http://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.

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, 5050 West Tennessee Street, Building L, Tallahassee, FL 32399-0112.

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