



Business Rent / Commercial Lease Tax Credits

Through the Florida Sales Tax Credit Scholarship Program ([Florida Statutes, Section 212.099](#)), dollar-for-dollar tax credits are provided to businesses that redirect their business rent tax to Step Up For Students, a state-approved Scholarship Funding Organization (SFO). Up to 100% of a business's state tax liability is eligible (5.5% in 2020). The funds provide K-12 scholarships to low-income children or children who are in foster care.

STEP 1: RESERVE

Register on the [Florida DOR's online application system](#). The secure online application system allows you to quickly complete your application, receive a confirmation number with the date and time of submission, and view a summary of your applications and the status of each. To apply for multiple properties under a single application, Step Up For Students can work with you to facilitate a paper application with the Florida DOR.

Companies may apply for credits more than once during the year 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 DOR to ensure that the annual maximum in tax credits is not oversubscribed. For the 2019-20 state fiscal year, the Florida Legislature has allocated up to \$57.5 million in available tax credits for this program.

The Florida DOR will provide the tenant with an approval letter for any credits successfully reserved. Upon receipt, the tenant should notify its landlord of their intent to participate in the tax credit program.

STEP 2: REMIT

The tenant must remit payment to Step Up For Students before its rent payment is due to the landlord. The credit is only available against the state sales tax and does not apply to county discretionary sales surtaxes (5.5% in 2020).

Payments can be made by check, wire or ACH. Upon receipt of payment, Step Up For Students will provide a Certificate of Contribution.

STEP 3: REDUCE & REPORT

The tenant will provide its landlord with the DOR approval letter and Certificate(s) of Contribution to validate that the credits have been approved by the DOR and earned with the contribution to Step Up For Students. The landlord then reduces the amount of state sales tax due by the amount of the credit. Any excess credits may be carried forward as discussed below.

The landlord must report credits earned through the Florida Sales Tax Credit Program on Line C(a) of Florida DOR Form DR-15 (E-file/ E-pay only). Credits cannot be reported on Form DR-15EZ, on any paper tax return, or on an amended return.

Step Up For Students is also required to report contributions to the DOR on a monthly basis.

ADDITIONAL INFORMATION

Transferring Credits: The tax credit can be transferred to another entity if all assets of the taxpayer are conveyed, assigned or transferred in the same transaction and the successor business continues the same lease with the same landlord. Companies must notify the Florida DOR in writing of their intent to transfer credits.

Change of Landlord or Property: If the landlord collecting the tax on the property changes or the tenant moves to another property, the tenant can change its approved allocation by completing Florida DOR [Form DR-117100](#), Change of Credit Allocation.

Credit Carry Forward: If a tenant has insufficient tax liability to take the full credit against any rent payment (earned credit is greater than 100% of state tax due), the tenant may carry forward the unused credit for up to 10 years.

Rescission: Sometimes it is necessary for a corporation to rescind all or part of their pledge(s). By completing a rescindment application, your company is releasing your reserved tax credits back into the program cap, allowing other companies to step in and fulfill that amount. There is no penalty for rescinding a pledge.