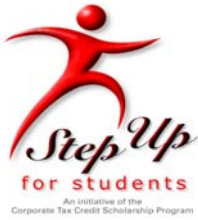


Florida Tax Credit Program: Donor Administration Summary



As you know, the Florida Tax Credit program allows any company that pays Florida corporate income or insurance premium tax to redirect up to 75% of its tax liability (after the application of any other allowable credits) to state approved scholarship funding organizations (SFOs) that provide education scholarships for low-income children.

Reserving your state tax credit

Once the company has received approval for the requested credit from the Florida DOR, it may remit up to that amount directly to the SFO via check or wire by the last day of its fiscal year. The company may apply more than once for credits during the year for a maximum of 75% of its net state income or insurance premium tax (not both). It's important to remember that the approval process does not oblige the company to remit the funds to the SFO, it is merely a way for the DOR to ensure that annual maximum (\$118 million for 2010) in tax credits is not over-subscribed.

Requesting an invoice from an SFO

At the company's request, the SFO for whom the credit has been reserved will send an invoice to the company in order to expedite the remittance process through the company's accounting department. Please contact Kim Dyson at 800-782-9140, ext 228 if you would like to request an invoice. The invoice will include the SFO's legal name, address, tax identification number and wiring instructions.

The official acknowledgement for your remittance is known as a Certificate of Contribution

Once the remittance is received, the SFO will promptly return an acknowledgement for each remittance (known as a Certificate of Contribution) to the company. It will list the name of the company remitting the funds, the company's tax ID number, the amount of the remittance and the date of the remittance (please remember that the payment must be made by the last day of the company's fiscal year.) The company should retain the Certificates of Contribution in order to attach a copy to its state tax return.

Taking the credit on your state income tax return

A company using the "general" or "standard" method of determining its estimated quarterly payments should net the remittance amount from its state tax liability (after the application of any other allowable credits). For state income tax purposes, the remittance is treated as a credit against state income tax and is reported on line #14 of Schedule V (Credits Against the Corporate Income/Franchise Tax) on Form F-1120. For insurance premium tax credit purposes, the credit for the FTC Scholarship Program is on Line 11 of Schedule III (Credits Against the Premium Tax) on Form DR-908.

Unused tax credits can be carried forward for 3 years

If the company determines that it has insufficient tax liability to take the full credit (amount remitted is greater than 75% of net tax liability), it may carry forward the unused credit for up to 3 years. The company is required to apply for the carry forward each year using the DOR's same online form that it used to apply for the credit.

For more information, please call Kim Dyson at 800-782-9140, ext 228