

The STRONG FAMILIES Tax Credit Program

Established in 2021

Supports eligible charitable organizations, like our Naples, Florida based non-profit, Better Together, which provides services focused on child welfare and well-being. Under the Tax credit program, taxpayers can make private monetary contributions to Better Together and receive a dollar-for-dollar credit up to 5 million dollars per fiscal year.

CORPORATE SALES TAX

100%

One hundred percent of an eligible contribution is allowed as a **credit against any tax due for a taxable year.**

The amount of the tax credit for a tax year must be taken in the order of the credits provided against the corporate income tax in section 220.02(8), F.S. The credit granted must be reduced by the resulting decrease in federal income tax, if any, when considering the credit and the overall impact it has on the federal income tax due. The amount of credit taken for the taxable year must be added back to taxable income only once. A copy of the Certificate of Contribution from each eligible charitable organization must be attached to the return when claiming the credit.

TAXABLE YEARS BEGINNING ON OR AFTER JAN. 1, 2022:

Applications may be submitted beginning on the first business day in January for contributions to be made for taxable years that begin in the same calendar year through the day before the due date, or if extended, the day before the extended due date of the Florida Corporate Income/Franchise tax return (Form F-1120).

The allocation of each state fiscal year's allotted credit cap amount begins on the first business day in January. The Department will accept applications for an allocation of credit against corporate income tax until the allotted credit cap amount is reached or until the day before the due date, or if the due date is extended, the day before the extended due date of the return for the applicable tax year, whichever occurs first.

For estimated tax purposes, all contributions that earn a credit for the taxable year will apply to the first installment due for that taxable year under the prior year exception. However, estimated tax penalty and interest may still be imposed under certain circumstances when the request for an allocation of credit is made during the period in which an extension of time to file the tax return has been granted.

If you cannot use the full amount of the tax credit in the given year, you may carry forward the amount of unused tax credit for up to 10 years.

Example 1: A corporate income tax taxpayer applying for a credit allocation for its taxable year beginning January 1, 2022, and ending December 31, 2022, may submit an application on January 3, 2022, through April 30, 2023. If the return is validly extended, the application may be submitted through October 30, 2023, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the eligible charitable organization between January 1, 2022, and May 1, 2023, unless the return is validly extended, in which case the contribution must be made by November 1, 2023. If the credit is not fully used on this return, the unused credit can be carried forward up to 10 years.

Example 2: A corporate income tax taxpayer applying for a credit allocation for its taxable year beginning December 1, 2022, and ending November 30, 2023, may submit an application on January 3, 2022, through March 31, 2024. If the return is validly extended, the application may be submitted through September 30, 2024, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the eligible charitable organization between December 1, 2022, and April 1, 2024, unless the return is validly extended, in which case the contribution must be made by October 1, 2024. If the credit is not fully used on this return, the unused credit can be carried forward up to 10 years.

FOR MORE INFORMATION on Better Together and the Strong Families Tax Credit Program, including a link to the Department of Revenue webpage and forms: visit StrongFamiliesTaxCredit.org or contact Lora Bostick at (304) 886-2776 or Lora@bettertogetherus.org

