

DEPARTMENT OF REVENUE

RULE NOS.:	RULE TITLES:
12-29.001	Scope
12-29.002	Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Transfer; Rescindment
12-29.003	Public Use Forms
12-29.004	Strong Families Tax Credit; Participation; Allocation; Carryforward; Transfer; Rescindment
12-29.005	The New Worlds Reading Initiative; Participation; Allocation; Carryforward; Transfer; Rescindment
12-29.006	Live Local Program; Participation; Allocation; Carryforward; Transfer; Rescindment
12-29.007	Child Care Tax Credits Program; Participation; Allocation; Carryforward; Transfer; Rescindment

PURPOSE AND EFFECT: The proposed amendments to Rule 12-29.001, F.A.C. (Scope), are necessary to clarify the tax credit programs administered by the rule chapter and to provide that the rule chapter includes rules to administer the Child Care Tax Credits program created by sections 26, 32, 39, 44, 49, 54, and 55, Chapter 2024-158, L.O.F.

The proposed amendments to Rule 12-29.002, F.A.C. (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Transfer; Rescindment), are necessary to implement the provisions of subsection 624.509(7), F.S., as amended by section 53, Chapter 2024-158, L.O.F., which adds the Child Care Tax Credits to the insurance premium tax credits and deductions for purposes of the Florida Tax Credit Scholarship Program tax credit, to remove obsolete provisions and examples for an obsolete tax credit carryforward period of five years for tax years beginning before January 1, 2018, and to update examples to apply for a credit allocation, carryforward unused tax credits for a ten year period, and when an application for rescindment of an unused credit allocation will not be allowed, and to provide how to provide a copy of the certificate of contribution issued by a scholarship-funding organization to the Department.

The proposed amendments to Rule 12-29.003, F.A.C. (Public Use Forms), are necessary to incorporate, by reference, changes to three forms used in the administration of the Florida Tax Credit Scholarship Program to allow applicants to select how their email address may be used by the Department, four new forms required for administration of the Child Care Tax Credit

program, and changes to two forms to reflect the designation of the University of Florida Lastinger Center for Learning as the administrator of the New Worlds Reading Initiative.

The proposed amendments to Rule 12-29.004, F.A.C. (Strong Families Tax Credit; Participation; Allocation; Carryforward; Transfer; Rescindment), are necessary to reflect when a taxpayer may first submit an application for an allocation of the tax credit available each state fiscal year provided in subsection 402.62(5), F.S., as amended by section 45, Chapter 2024-158, L.O.F., and update how documents and applications may be submitted to the Department.

The proposed amendments to Rule 12-29.005, F.A.C. (The New Worlds Reading Initiative; Participation; Allocation; Carryforward; Transfer; Rescindment), are necessary to: (1) reflect the administrator of the New Worlds Reading Initiative provided in section 1003.485, F.S., as amended by section 4, Chapter 2024-162, L.O.F.;

(2) implement the provisions of subsection 624.509(7), F.S., as amended by section 53, Chapter 2024-158, L.O.F.; and (3) update how documents may be submitted to the Department.

The proposed amendment to Rule 12-29.006, F.A.C. (Live Local Program; Participation; Allocation; Carryforward; Transfer; Rescindment), is necessary to update how documents and applications may be submitted to the Department.

The proposed new Rule 12-29.007, F.A.C. (Child Care Tax Credits Program; Participation; Allocation; Carryforward; Transfer; Rescindment), is necessary to provide for administration of the program as provided in sections 26, 32, 36, 39, 44, 49, 53, 54, and 55, Chapter 2024-158, L.O.F.

SUMMARY: The proposed amendments to Rule 12-29.001, F.A.C. (Scope), provide that the rule chapter includes rules for administration of the Child Care Tax Credits program and that the program allows taxpayers to receive a credit allocation for establishing an eligible child care facility for employees, operating an eligible child care facility for employees, or paying an eligible child care facility in the name and for the benefit of an employee. The proposed amendments also provide that the New Worlds Reading Initiative program allows taxpayers to receive a credit allocation for contributions made to the University of Florida Lastinger Center for Learning.

The proposed amendments to Rule 12-29.002, F.A.C. (Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Transfer; Rescindment): (1) add the Child Care Tax Credits program tax credit to the insurance premium tax deductions and credits for determining the limitation of the insurance premium due for purposes of the Florida Tax Credit Scholarship program tax credit; (2) remove obsolete provisions and examples for a tax credit carryforward period of five years for tax years beginning before January 1, 2018; (3) update the examples for when taxpayers are eligible to apply for a credit allocation from each annual tax cap, the carryforward of unused

tax credits for a ten year period, and when an application for rescindment of an unused credit allocation will not be allowed; and (4) provide an email address for sales and use tax dealers to provide a copy of the certificate of contribution issued by a scholarship-funding organization to the Department.

The proposed amendments to Rule 12-29.003(Public Use Forms), incorporate, by reference, four forms required for taxpayers to receive a credit allocation, to rescind a previous credit allocation, or to transfer a tax credit between members of the same affiliated group of corporations under the Child Care Tax Credits Program: Form DR-556000 – Child Care Tax Credits Program – Application for Tax Credit Allocation; Form DR-556000A – Child Care Tax Credits Program – Application for Tax Credit Allocation Eligible Child Care Facility Statement; Form DR-556100 – Child Care Tax Credits Program – Application for Rescindment of Previous Allocation of Tax Credit; and Form DR-556200 - Child Care Tax Credits Program – Notice of Intent to Transfer a Tax Credit. The proposed amendments to Form DR-336000 (New Worlds Reading Initiative Application for Tax Credit Allocation for Contributions to the Administrator), and Form DR-336100 (The New Worlds Reading Initiative Application for Rescindment of Previous Allocation of Tax Credit), remove the request to designate an administrator for the New Worlds Reading Initiative and remove obsolete provisions. The proposed amendments to Form DR-116000 (Florida Tax Credit Scholarship Program – Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations), to Form DR-116100 (Florida Tax Credit Scholarship Program – Application for Rescindment of Previous Allocation of Tax Credit), and to Form DR-116200 (Florida Tax Credit Scholarship Program – Notice of Intent to Transfer a Tax Credit), allow applicants to select how their email address may be used by the Department.

The proposed amendments to Rule 12-29.004, F.A.C. (Strong Families Tax Credit; Participation; Allocation; Carryforward; Transfer; Rescindment): (1) provide that an application for an allocation of the available annual credit may be submitted the first day of January that is not a Saturday, Sunday, or legal holiday for the state fiscal year beginning July 1; (2) provide a sales and use tax credit is allowed against tax self-accrued and paid in accordance with a Sales and Use Tax Direct Pay Permit; and (3) adds an email address for sales and use tax dealers to provide a copy of the certificate of contribution issued by a scholarship-funding organization to the Department.

The proposed amendments to Rule 12-29.005, F.A.C. (The New Worlds Reading Initiative; Participation; Allocation; Carryforward; Transfer; Rescindment): (1) reflects the single administrator for the New Worlds Reading Initiative program; (2) adds the Child Care Tax Credits program tax credits to the insurance premium tax deductions and credits for determining

the limitation of the insurance premium tax due for purposes of the New Worlds Reading Initiative program tax credit; and (3) adds an email address for members of an affiliated group of corporations to submit an application to the Department to transfer any unused credit allocation.

The proposed amendments to Rule 12-29.006, F.A.C. (Live Local Program; Participation; Allocation; Carryforward; Transfer; Rescindment), adds an email address for members of an affiliated group of corporations to submit an application to the Department to transfer any unused credit allocation.

The proposed new Rule 12-29.007, F.A.C. (Child Care Tax Credits Program; Participation; Allocation; Carryforward; Transfer; Rescindment), provides: (1) definitions for purposes of administering the program; (2) the taxes for which a credit allocation may be granted under the program; (3) the process and applications required to apply for an allocation of the tax credit available each state fiscal year under the program; (4) for each tax, the period during which an application for an allocation of the available annual tax credit cap must be submitted; (5) the tax credits and deductions against each tax due that must be deducted to determine the limitation of the child care tax credits available; (6) for each tax, how the tax is to be taken on a tax return; (7) procedures and the required form for corporations to transfer a tax credit in a complete transfer of all assets to another entity or to another member of the same affiliated group of corporations; (8) procedures and the required form to rescind an unused credit allocation; and (9) that the Department will notify the applicant by letter of approval or denial of an application and how to protest a denial of a credit allocation, transfer, or rescindment.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences regarding rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal

for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 213.06(1), 402.261(7), 402.62(7)(b), 420.50872, 1002.395(12)(b), 1003.485(7)(b), F.S.

LAW IMPLEMENTED: 211.0251, 211.0252, 211.0253, 211.0254, 212.1831, 212.1833, 212.1834, 212.1835, 213.37, 220.1875, 220.1876, 220.1877, 220.1878, 220.19, 402.261, 402.62(5), 420.50872, 561.1211, 561.1212, 561.1213, 561.1214, 624.509(7), 624.51055, 624.51056, 624.51057, 624.51058, 1002.395(5), (13), 1003.485(5), FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: January 14, 2025; 9:00 a.m.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1221, Tallahassee, Florida 32399.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least hours before the workshop/meeting by contacting: Tonya Fulford at (850)717-6799. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Martha Gregory, Office of Technical Assistance, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)717-6041, email RuleComments@floridarevenue.com.

THE FULL TEXT OF THE PROPOSED RULE IS:

12-29.001 Scope.

(1) This rule chapter sets forth the rules to be used in the administration of the following tax credits ~~for contributions made to the following:~~

(a) ~~The Florida Tax Credit Scholarship Program Nonprofit scholarship funding organizations (SFOs) under Section 1002.395, F.S., Florida Tax Credit Scholarship Program.~~ That program allows taxpayers to receive a credit allocation for contributions made to nonprofit scholarship-funding organizations SFOs.

(b) ~~The Strong Families Tax Credit program Eligible charitable organizations under Section 402.62, F.S., Strong Families Tax Credit program.~~ That program allows taxpayers to receive a credit allocation for contributions made to eligible charitable organizations designated by the Department of Children and Families.

(c) ~~The New Worlds Reading Initiative program administrator of the initiative under Section 1003.485, F.S. The New Worlds Reading Initiative program.~~ That program allows taxpayers to receive a credit allocation for contributions made to the University of Florida Lastinger Center for Learning administrator of the initiative designated by the Department of Education.

(d) No change.

(e) ~~The Child Care Tax Credits program under Section 402.261, F.S. That program allows taxpayers to receive a credit allocation for establishing an eligible child care facility for employees; operating a child care facility for employees; or paying an eligible child care facility in the name and for the benefit of an employee.~~

(2) No change.

Rulemaking Authority 213.06(1), 402.261(7), 402.62(7)(b), 420.50872, 1002.395(12)(b), 1003.485(7)(b) F.S. Law Implemented 211.0251, 211.0252, 211.0253, 211.0254, 212.1831, 212.1833, 212.1834, 212.1835, 220.1875, 220.1876, 220.1877, 220.1878, 220.19, 402.261, 402.62(5), 420.50872, 561.1211, 561.1212, 561.1213, 561.1214, 624.51055, 624.51056, 624.51057, 624.51058, 624.5107, 1002.395(5), 1003.485(5) FS. History—New 6-6-11, Amended 7-28-15, 1-8-19, 5-23-22, 1-1-24,_____.

12-29.002 Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Transfer; Rescindment.

(1) through (2) No change.

(3) Applications for credit allocations.

(a) through (b) No change.

(c) Taxpayers are eligible to apply during the following periods to receive a credit allocation from each annual tax credit cap for the following taxes as follows:

1. Corporate Income Tax – A taxpayer may make an application for a credit allocation on the first business day of January of each calendar year for its tax year that begins during that calendar year. The application must be submitted before the date the taxpayer is required to file its corporate income/franchise tax return for that tax year pursuant to Section 220.222, F.S., including a valid extended due date.

a. Example: A calendar year taxpayer may apply for a credit allocation for the 2025-2026 2018-2019 state fiscal year credit beginning on January 2, 2025 2018. The application must be submitted before May 1, 2026 2019; however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before November 1, 2026 2019.

b. Example: A taxpayer with a tax year beginning December 1, 2025 2018, and ending November 30, 2026 2019, may apply for a credit allocation for the 2025-2026 2018-2019 state fiscal year credit beginning on January 2, 2025 2018. The application must be submitted before April 1, 2027 2020;

however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before October 1, ~~2027~~ 2020.

2. Insurance Premium Tax – A taxpayer may make an application for a credit allocation on the first business day of January of each calendar year and before the due date of the insurance premium taxes and fees return, which is March 1 following the taxable year. Example: For the ~~2025-2026~~ 2019–2020 state fiscal year tax credit cap, a taxpayer may submit an application for a credit allocation beginning on January 2, ~~2025~~ 2019. The application must be made on or before February ~~28, 2026~~ 29, 2020.

3. Sales and Use Tax – Tax on Oil and Gas Production – Excise Taxes on Liquor, Wine, and Malt Beverages – A taxpayer may make an application for a credit allocation on the first business day of January of the calendar year preceding the state fiscal year beginning on July 1 of the calendar year. The application must be made by June 30 of the state fiscal year for which the taxpayer is applying. For example, for a credit allocation for the ~~2025-2026~~ 2018–2019 state fiscal year, taxpayers may apply for a credit allocation beginning on January 2, ~~2025~~ 2018. The application must be made on or before June 30, ~~2026~~ 2019.

(d) No change.

(4) No change.

(5) Tax Credits.

(a) No change.

(b)1. Insurance Premium Tax – A tax credit of 100 percent of the contribution against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit for a tax year is limited to the insurance premium tax due after deducting:

a. through c. No change.

d. The amount of the Strong Families Tax Credit under Section 624.51057, F.S.; ~~and~~

e. The amount of the Live Local Program credit under Section 624.51058, F.S.; ~~and~~

f. The amount of Child Care Tax Credits under Section 624.5107, F.S.

2. No change.

(c)1. Sales and Use Tax – A tax credit of 100 percent of the contribution is allowed against any state sales and use tax due self-accrued and paid directly to the Department in accordance with a valid Sales and Use Tax Direct Pay Permit issued by the Department.

2.a. Taxpayers must submit a copy of the certificate of contribution from each SFO to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609

Tallahassee, FL 32314-6609

b. No change.

(d) through (f) No change.

(6) Carryforward of unused credits.

(a) When a taxpayer is unable to use a tax credit during the period specified by the Department in the approval letter, because the taxpayer’s liability is insufficient, the taxpayer may carry forward the unused tax credit amount for a period not to exceed ~~five years, if the credit was earned in a taxable year beginning before January 1, 2018, or for a period not to exceed ten years, if the credit was earned in a taxable year beginning on or after January 1, 2018.~~

(b) Examples.

~~1. Corporate Income Tax Example – A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the year ending December 31, 2017. Any unused carryforward from its tax year ending December 31, 2017, expires on December 31, 2022.~~

1.2. Corporate Income Tax Example – A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the tax year ending December 31, 2024 2018. Any unused carryforward from its tax year ending December 31, 2024 2018, expires on the due date pursuant to Section 220.222, F.S., for the Florida corporate income/franchise tax return for the taxable year ending December 31, 2034 2028.

~~3. Insurance Premium Tax Example – A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2017. Any unused carryforward from its tax year ending December 31, 2017, expires on December 31, 2022.~~

~~2.4. Insurance Premium Tax Example – A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2024 2018. Any unused carryforward from its tax year ending December 31, 2024 2018, expires on December 31, 2034 2028.~~

~~5. Sales and Use Tax Example – A taxpayer who holds a Sales and Use Tax Direct Pay Permit applied for and was approved for a credit allocation against sales and use tax due to the Department as a result of the Direct Pay Permit for the state fiscal year 2017–2018. The taxpayer paid the contribution to an SFO on July 14, 2017, and submitted a copy of the certificate of contribution received from the organization to the Department. The taxpayer’s state tax liability in accordance with the Sales and Use Tax Direct Pay Permit was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, 2018. Any unused carryforward from the 2017–2018 state fiscal year expires June 30, 2023.~~

3.6. Sales and Use Tax Example – A taxpayer who holds a Sales and Use Tax Direct Pay Permit applied for and was

approved for a credit allocation against sales and use tax due to the Department for the state fiscal year ~~2024-2025~~ 2018-2019. The taxpayer paid the contribution to an SFO on July ~~15, 2024~~ ~~13, 2018~~, and submitted a copy of the certificate of contribution received from the organization to the Department. The taxpayer's state tax liability in accordance with the Permit was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, ~~2025~~ 2019. Any unused carryforward from the ~~2024-2025~~ ~~2018-2019~~ state fiscal year expires June 30, ~~2035~~ ~~2029~~.

~~4.7.~~ No change.

~~8. Excise Taxes on Liquor, Wine, and Malt Beverages~~

~~Example~~—A taxpayer who holds a liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year ~~2017-2018~~. The taxpayer's liability was insufficient to use the entire credit allocation during that state fiscal year. Any unused carryforward from the ~~2017-2018~~ state fiscal year expires June 30, ~~2023~~.

~~5.9.~~ Excise Taxes on Liquor, Wine, and Malt Beverages

Example – A taxpayer who holds a liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year ~~2018-2019~~. The taxpayer's liability was insufficient to use the entire credit allocation during that state fiscal year. Any unused carryforward from the ~~2018-2019~~ state fiscal year expires June 30, ~~2035~~ ~~2029~~.

(7) Transfers of unused Tax Credits.

(a) through (d) No change.

(e)1. A taxpayer must notify the Department of its intent to transfer a credit allocation or tax credit to another member of its affiliated group by submitting Florida Tax Credit Scholarship Program – Notice of Intent to Transfer a Tax Credit (Form DR-116200, incorporated by reference in Rule 12-29.003, F.A.C.). A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

2. Taxpayers must submit an application for transfer of any unused credit allocation or tax credit to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609
Tallahassee, FL 32314-6609

(f) through (g) No change.

(8) Rescindment of unused Tax Credits.

(a) No change.

(b) An application for rescindment of the unused credit allocation by the Department will not be approved when:

1. No change.

2. The allocation year is closed for all taxpayers. The allocation period for a calendar year is closed for all taxes and all taxpayers on October 1 of the third year following the January 1 opening of the allocation period, regardless of whether the annual tax credit cap has been reached. For example, the allocation period beginning January 1, ~~2025~~ ~~2018~~, for the state fiscal year beginning July 1, ~~2025~~ ~~2018~~, closes for all taxpayers on October 1, ~~2027~~ ~~2020~~.

(c) through (d) No change.

Rulemaking Authority ~~402.261(7)~~, 420.50872, 1002.395(12)(b) F.S. Law Implemented 211.0251, 212.1831, 212.1833, 213.37, 220.1875, ~~402.261~~, 420.50872, ~~624.509(7)~~, 624.51055, 1002.395(5), (13) FS. History—New 6-6-11, Amended 1-25-12, 7-28-15, 1-8-19, 12-12-19, 5-23-22, 1-1-24, _____.

12-29.003 Public Use Forms.

(1)(a) The following application forms and instructions are used by the Department in its administration of the Florida Tax Credit Scholarship program, Strong Families Tax Credit program, ~~and~~ The New Worlds Initiative Tax Credit program, and Child Care Tax Credits program. These forms are hereby incorporated by reference in this rule.

(b) Copies of the application forms and instructions are available, without cost, by one or more of the following methods: 1) downloading the application from the Department's website at floridarevenue.com/forms; or, 2) calling the Department at (850)488-6800, Monday through Friday, (excluding holidays); or, 3) writing the Florida Department of Revenue, 5050 West Tennessee Street, Tallahassee, Florida 32399-0100. Persons with hearing or speech impairments may call the Florida Relay Service at 711, 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

Form Number	Title	Effective Date
(2) (a) DR-116000	Florida Tax Credit Scholarship Program – Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations (http://www.flrules.org/Gateway/reference .asp?No=Ref-XXXXXX 44257)	XX/X X 05/22
(b) DR-116100	Florida Tax Credit Scholarship Program – Application for Rescindment of Previous Allocation of Tax Credit (http://www.flrules.org/Gateway/reference .asp?No=Ref-XXXXXX 40166)	XX/X X 01/19
(c) DR-116200	Florida Tax Credit Scholarship Program – Notice of Intent to Transfer a Tax Credit	XX/X X 01/19

	(http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 10167)	
(3) No change.		
(4) (a) DR-336000	The New Worlds Reading Initiative – Application for Tax Credit Allocation for Contributions to the Administrator (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 14261)	XX/X X 05/22
(b) DR-336100	The New Worlds Reading Initiative – Application for Rescindment of Previous Allocation of Tax Credit (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX 14261)	XX/X X 05/22
(c) No change.		
(5)(a) No change		
(6) (a) DR-556000	<u>Child Care Tax Credits Program – Application for Tax Credit Allocation</u> (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX)	XX/X X
(b) DR-556000 A	<u>Child Care Tax Credits Program – Application for Tax Credit Allocation Eligible Child Care Facility Statement</u> (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX)	XX/X X
(c) DR-556100	<u>Child Care Tax Credits Program – Application for Rescindment of Previous Allocation of Tax Credit</u> (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX)	XX/X X
(d) DR-556200	<u>Child Care Tax Credits Program – Notice of Intent to Transfer a Tax Credit</u> (http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX)	XX/X X

Rulemaking Authority 213.06(1), 402.261(7), 402.62(7)(b), 420.50872, 1002.395(12)(b), 1003.485(7)(b) F.S. Law Implemented 211.0251, 211.0252, 211.0253, 212.1831, 212.1833, 212.1834, 213.37, ~~213.37~~, 220.1875, 220.1876, 220.1877, 220.1878, 402.261, 402.62(5), 420.50872, 561.1211, 561.1212, 561.1213, 624.509(7), 624.51055, 624.51056, 624.51057, ~~624.51057~~, 624.51058, 1002.395(5), 1003.485(5) FS. History—New 6-6-11, Amended 1-25-12, 7-28-15, 1-17-18, 1-8-19, 12-12-19, 5-23-22, 1-1-24, _____.

12-29.004 Strong Families Tax Credit; Participation; Allocation; Carryforward; Transfer; Rescindment.

(1) through (2) No change.

(3) Applications for credit allocations.

(a) through (b) No change.

(c) Taxpayers are eligible to apply during the following periods to receive a credit allocation from each annual tax credit cap for the following taxes as follows:

1. Corporate Income Tax – A taxpayer may make an application for a credit allocation beginning at 9 a.m. on the first business day of the January of each calendar year that is not a Saturday, Sunday, or legal holiday for its tax year that begins during that calendar year. The application must be submitted before the date the taxpayer is required to file its corporate income/franchise tax return for that tax year pursuant to Section 220.222, F.S., including a valid extended due date.

a. Example: A calendar year taxpayer may apply for a credit allocation for the 2025-2026 2022-2023 state fiscal year credit beginning on January 2, 2025 3, 2022. The application must be submitted before May 1, 2026 2023; however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before November 1, 2026 2023.

b. Example: A taxpayer with a tax year beginning December 1, 2025 2022, and ending November 30, 2026 2023, may apply for a credit allocation for the 2025-2026 2022-2023 state fiscal year credit beginning on January 2, 2025 3, 2022. The application must be submitted before April 1, 2027 2024; however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before October 1, 2027 2024.

2. Insurance Premium Tax – A taxpayer may make an application for a credit allocation beginning at 9 a.m. on the first business day of the January of each calendar year that is not a Saturday, Sunday, or legal holiday and before the due date of the insurance premium taxes and fees return, which is March 1 following the taxable year. Example: For the 2025-2026 2022-2023 state fiscal year tax credit cap, a taxpayer may submit an application for a credit allocation beginning on January 3, 2025 2022. The application must be made on or before February 28, 2026 2023.

3. Sales and Use Tax – Tax on Oil and Gas Production – Excise Taxes on Liquor, Wine, and Malt Beverages – A taxpayer may make an application for a credit allocation beginning at 9 a.m. on the first business day of January of the calendar year that is not a Saturday, Sunday, or legal holiday preceding the state fiscal year beginning on July 1 of the calendar year. The application must be made by June 30 of the state fiscal year for which the taxpayer is applying. For example, for a credit allocation for the 2025-2026 2022-2023 state fiscal year, taxpayers may apply for a credit allocation beginning on January 2, 2025 3, 2022. The application must be made on or before June 30, 2026 2023.

(d) No change.

(4) No change.

(5) Tax Credits.

(a) through (b) No change.

(c)1. Sales and Use Tax – A tax credit of 100 percent of the contribution is allowed against any state sales and use tax due self-accrued and paid directly to the Department in accordance with a valid Sales and Use Tax Direct Pay Permit issued by the Department.

2.a. Taxpayers must submit a copy of the certificate of contribution from the eligible charitable organization to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
 Revenue Accounting
 P.O. Box 6609
 Tallahassee, FL 32314-6609

b. No change.

(d) through (f) No change.

(6) No change.

(7) Transfers of unused tax credits.

(a) through (d) No change.

(e)1. A taxpayer must notify the Department of its intent to transfer a credit allocation or tax credit to another member of its group by submitting Strong Families Tax Credit – Notice of Intent to Transfer a Tax Credit (Form DR-226200, incorporated by reference in Rule 12-29.003, F.A.C.). A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

2. Taxpayers must submit an application for transfer of any unused credit allocation or tax credit to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
 Revenue Accounting
 P.O. Box 6609
 Tallahassee, FL 32314-6609

(f) through (h) No change.

(8) No change.

Rulemaking Authority 213.06(1), 402.62(7)(b) FS. Law Implemented 211.0253, 212.1834, 213.37, 220.1877, 402.62(5), 561.1213, 624.51057 FS. History—New 5-23-22,_____.

12-29.005 The New Worlds Reading Initiative; Participation; Allocation; Carryforward; Transfer; Rescindment.

(1) Definitions. For purpose of this rule, the following terms mean:

(a) “Administrator” means the University of Florida Lastinger Center for Learning ~~a state university registered with the Department of Education under Section 1002.395(15)(i), F.S., and designated to administer the New Worlds Reading Initiative.~~

(b) through (h) No change.

(2) No change.

(3) Applications for credit allocations.

(a) No change.

(b) A separate application to receive a credit allocation is required for:

1. ~~Each administrator the taxpayer intends to support; and,~~
2. through 3. renumbered 1. through 2. No change.

(c) through (d) No change.

(4) Notification.

(a) through (b) No change.

(c) When approved, the Department’s approval letter will specify the period in which the contribution to the ~~designated~~ administrator must be made. Contributions must be made during the period specified in the approval letter. The administrator ~~receiving a contribution~~ will issue the taxpayer a certificate of contribution signed by an authorized representative of the administrator containing:

1. through 6. No change.

(d) through (e) No change.

(5) Tax Credits.

(a) No change.

(b)1. Insurance Premium Tax – A tax credit of 100 percent of the contribution against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit for a tax year is limited to the insurance premium tax due after deducting:

a. No change

b. Credits for taxes paid under Sections 175.101 and 185.08, F.S. (firefighters’ and police officers’ pension trust funds); ~~and,~~

c. Credits for income taxes paid under Chapter 220, F.S., and the salary credit allowed under Section 624.509(5), F.S., as these are limited by Section 624.509(6), F.S. (the 65 percent limitation);-

d. The amount of the Strong Families Tax Credit under Section 624.51057, F.S., the amount of the Live Local Program credit under Section 624.51058, F.S., the amount of the Child Care Tax Credits Program credit under Section 624.5107, F.S., and the amount of the Florida Tax Credit Scholarship Program credit under Section 624.51055, F.S.

(c)1. Sales and Use Tax – A tax credit of 100 percent of the contribution is allowed against any state sales and use tax due self-accrued and paid directly to the Department in accordance with a valid Sales and Use Tax Direct Pay Permit issued by the Department.

2.a. Taxpayers must submit a copy of the certificate of contribution from the administrator to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
 Revenue Accounting

P.O. Box 6609
Tallahassee, FL 32314-6609

- b. No change.
- (d) through (f) No change.
- (6) No change.
- (7) Transfers of unused tax credits.
- (a) through (d) No change.

(e)1. A taxpayer must notify the Department of its intent to transfer a credit allocation or tax credit to another member of its affiliated group by submitting The New Worlds Reading Initiative – Notice of Intent to Transfer a Tax Credit (Form DR-336200, incorporated by reference in Rule 12-29.003, F.A.C.). A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

2. Taxpayers must submit an application for transfer of any unused credit allocation or tax credit to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609

Tallahassee, FL 32314-6609

- (f) through (h) No change.
- (8) No change.

Rulemaking Authority 213.06(1), 402.261(7), 420.50872, 1003.485(7)(b) FS. Law Implemented 211.0252, 212.1833, 220.1876, 402.261, 561.1212, 624.509(7), 624.51056, 624.51058, 1003.485(5) FS. History–New 5-23-22, Amended 1-1-24,_____.

12-29.006 Live Local Program; Participation; Allocation; Carryforward; Transfer; Rescindment.

- (1) through (4) No change.
- (5) Tax Credits.
- (a) No change.

(b)1. Insurance Premium Tax – A tax credit of 100 percent of the contribution against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit for a tax year is limited to the insurance premium tax due after deducting:

- a. No change.
- b. Credits for taxes paid under Sections 175.101 and 185.08, F.S. (firefighters’ and police officers’ pension trust funds); ~~and,~~
- c. Credits for income taxes paid under Chapter 220, F.S., and the salary credit allowed under Section 624.509(5), F.S., as these are limited by Section 624.509(6), F.S. (the 65 percent limitation); ~~and-~~
- d. No change.
- 2. No change.
- (c) No change.
- (6) No change.
- (7) Transfers of unused tax credits.
- (a) through (d) No change.

(e)1. A taxpayer must notify the Department of its intent to transfer a credit allocation or tax credit to another member of its affiliated group by submitting Live Local Program – Notice of Intent to Transfer a Tax Credit (Form DR-446200, incorporated by reference in Rule 12-29.003, F.A.C.). A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

2. Taxpayers must submit an application for transfer of any unused credit allocation or tax credit to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609

Tallahassee, FL 32314-6609

- (f) through (h) No change.
- (8) No change.

Rulemaking Authority 213.06(1), 420.50872 FS. Law Implemented 220.1878, 420.50872, 624.51058 FS. History–New 1-1-24,_____.

12-29.007 Child Care Tax Credits Program; Participation; Allocation; Carryforward; Transfer; Rescindment.

(1) Definitions. For purpose of this rule, the following terms mean:

(a) “Affiliated group of corporations” is given the same meaning as the definition provided in Section 220.03(1)(b), F.S.

(b) “Credit allocation” means an allocation to a taxpayer of an annual tax credit cap authorized under the Child Care Tax Credits Program.

(c) “Division” means the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation.

(d) “Eligible children” means the children or grandchildren of an employee of a taxpayer, if such employee is the child or grandchild’s caregiver as defined in Section 39.01, F.S.

(e) “Eligible child care facility” means a child care facility that is licensed under Section 402.305, F.S., or is exempt from licensure under Section 402.316, F.S.

(f) “State fiscal year” means the annual period beginning July 1 through June 30 of the following year.

(g) “Tax credit cap” means the maximum annual tax credit amount that the Department is authorized by Section 402.261, F.S., to allocate.

(2) Taxpayers eligible to participate in the program. Taxpayers who pay any of the following taxes may apply to the Department for a credit allocation:

- (a) For the taxes administered by the Department:
 - 1. Florida corporate income tax imposed under Chapter 220, F.S.
 - 2. Florida insurance premium tax imposed under Section 624.509, F.S.

3. Florida state sales and use tax self-accrued and paid directly to the Department in accordance with a valid Sales and Use Tax Direct Pay Permit, issued by the Department, as provided in Section 212.183, F.S., and Rule 12A-1.0911, F.A.C.

4. Florida oil production tax imposed under Section 211.02, F.S., or Florida gas production tax imposed under Section 211.025, F.S.

(b) For excise taxes administered by the Division:

1. Excise tax on liquor beverages imposed under Section 565.12, F.S.;

2. Excise tax on wine beverages imposed under Section 564.06, F.S., except excise taxes imposed on wine produced by manufacturers in Florida from products grown in Florida; or,

3. Excise tax on malt beverages imposed under Section 563.05, F.S.

(3) Applications for credit allocations.

(a) To apply for an allocation of the available program credits, taxpayers must submit Child Care Tax Credits Program – Application for Tax Credit Allocation (Form DR-556000, incorporated by reference in Rule 12-29.003, F.A.C.) to the Department. Taxpayers applying for an allocation of credit for child care facility startup costs under Section 402.261(2)(a), F.S., or operation of a taxpayer’s eligible child care facility under Section 402.261(2)(b), F.S., must attach Child Care Tax Credits Program – Application for Tax Credit Allocation Eligible Child Care Facility Statement (Form DR-556000A, incorporated by reference in Rule 12-29.003, F.A.C.) to Form DR-556000.

1. Taxpayers required to file returns and remit payments by electronic means pursuant to Section 213.755, F.S., and Chapter 12-24, F.A.C., must apply online using the Department’s website. When the application is completed and submitted online, a confirmation number will be provided with the date and time of submission.

2. The fastest and easiest way to apply for an allocation is online at floridarevenue.com/taxes/multitaxcredits. Taxpayers who are not required to file returns and remit payments by electronic means pursuant to Section 213.755, F.S., and Chapter 12-24, F.A.C., may also apply by submitting a paper application with the Department.

3.a. Pursuant to Section 402.261(4)(c), F.S., if two or more taxpayers choose to jointly establish and operate an eligible child care facility, or cause a not-for-profit taxpayer to establish and operate an eligible child care facility, the taxpayers must jointly file Form DR-556000, or the not-for-profit taxpayer may file Form DR-556000. Notwithstanding subparagraph 1., a joint paper application must be filed.

b. A joint paper application for an allocation of credit must be submitted to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609
Tallahassee, FL 32314-6609

(b) A separate application to receive a credit allocation is required for:

1. Each tax listed in subsection (2) against which the taxpayer intends to apply any allocation of credit received.

2. Each beverage license issued by the Division for which a separate return to report and pay the excise taxes on liquor, wine, and malt beverages is filed with the Division.

3. Each tax credit cap year.

(c) Taxpayers are eligible to apply during the following periods to receive a credit allocation from each annual tax credit cap for the following taxes as follows:

1. Corporate Income Tax – A taxpayer may make an application for a credit allocation on the first business day of January of each calendar year for its tax year that begins during that calendar year. The credit must be earned before the date the taxpayer is required to file its Florida corporate income/franchise tax return for that tax year pursuant to Section 220.222, F.S., including a valid extended due date.

a. Example: A calendar year taxpayer may apply for a credit allocation for the 2025-2026 state fiscal year credit beginning on January 2, 2025. The credit must be earned before May 1, 2026; however, if the due date of the taxpayer’s Florida corporate income/franchise tax return is validly extended, the credit must be earned before November 1, 2026.

b. Example: A taxpayer with a tax year beginning December 1, 2025, and ending November 30, 2026, may apply for a credit allocation for the 2025-2026 state fiscal year credit beginning on January 2, 2025. The credit must be earned before April 1, 2027; however, if the due date of the taxpayer’s Florida corporate income/franchise tax return is validly extended, the credit must be earned before October 1, 2027.

2. Insurance Premium Tax – A taxpayer may make an application for a credit allocation on the first business day of January of each calendar year and before the due date of the insurance premium taxes and fees return, which is March 1 following the taxable year. The credit must be earned during the taxpayer’s taxable year. Example: For the 2025-2026 state fiscal year tax credit cap, a taxpayer may submit an application for a credit allocation beginning on January 2, 2025. The credit must be earned on or before December 31, 2025.

3. Sales and Use Tax – Tax on Oil and Gas Production – Excise Taxes on Liquor, Wine, and Malt Beverages – A taxpayer may make an application for a credit allocation on the first business day of January of the calendar year preceding the state fiscal year beginning on July 1 of the calendar year. The credit must be earned by June 30 of the state fiscal year for which the taxpayer is applying. For example, for a credit

allocation for the 2025-2026 state fiscal year, taxpayers may apply for a credit allocation beginning on January 2, 2025. The credit must be earned by June 30, 2026.

(d) The Department will accept applications until either the tax credit cap is reached or until the end of the state fiscal year for sales and use tax, the tax on oil and gas production, and the excise taxes on liquor, wine, and malt beverages; until on or before the day the taxpayer's insurance premium tax return is due; or until the day before the due date of the taxpayer's Florida corporate income/franchise tax return for corporate income tax, whichever occurs first.

(4) Notification.

(a) The Department will approve credit allocations on a first-come, first-served basis. Following receipt of an application, the Department will send written correspondence regarding the amount of the credit allocation for each tax applied for, or the reason the credit allocation could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the credit allocation before the Department will issue such correspondence.

(b) When the Department is not able to approve an application, a letter explaining the reason for the denial will be mailed to the taxpayer. The taxpayer may protest the denial pursuant to Sections 120.569 and 120.57, F.S. The Department will reserve the denied amount of the allocation for the taxpayer during the protest period.

(c)1. If the amount of credit allocation requested by a taxpayer is subsequently determined to be overstated, the taxpayer may not claim more credit on its tax return than it was allocated by the Department. For example, Taxpayer A requested an allocation of credit of \$800,000, based on estimated costs of constructing an eligible child care facility. Later, it was determined Taxpayer A should have only applied for an allocation of \$750,000, based on actual eligible child care facility startup costs. Taxpayer A is only entitled to claim a credit of up to \$750,000 on its tax return. Taxpayer A may rescind the \$50,000 in unused credit allocation so that it may be reallocated to other taxpayers, if such rescindment is made within the timeframes provided in subsection (8).

2. If the amount of credit allocation requested by a taxpayer is later determined to be understated, the taxpayer may not claim more credit on its tax return than it was allocated by the Department. For example, Taxpayer Z submitted Form DR-556000 to the Department, requesting an allocation of credit of \$64,800. The request was based on Taxpayer Z making payments to an eligible child care facility in the name and for the benefit of its employees, estimating that it would be paying for child care costs for 18 eligible children. Later, Taxpayer Z determined its allocation request should have been for \$72,000, because it actually made payments to an eligible child care

facility for 20 eligible children. Taxpayer Z is limited to a credit of \$64,800 when it files its tax return.

(5) Tax Credits.

(a)1. Corporate Income Tax – One hundred percent of the credit earned against any corporate income tax due for the tax year is allowed. The amount of the tax credit for a tax year:

a. Is taken in the order of the credits provided against the corporate income tax in Section 220.02(8), F.S.

b. Is revoked and rescinded when a taxpayer applies for a credit allocation after timely requesting an extension of time in which to file its Florida corporate income/franchise tax return and fails to remit sufficient tentative tax, such that its extension is not valid under Sections 220.222 and 220.32, F.S.

2. Taxpayers must attach a copy of the tax credit allocation letter issued by the Department to the Florida corporate income/franchise tax return on which any tax credit is taken.

(b)1. Insurance Premium Tax – One hundred percent of the credit earned against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit for a tax year is limited to the insurance premium tax due after deducting:

a. Assessments made pursuant to Section 440.51, F.S. (workers' compensation administrative assessments);

b. Credits for taxes paid under Sections 175.101 and 185.08, F.S. (firefighters' and police officers' pension trust funds);

c. Credits for income taxes paid under Chapter 220, F.S., and the salary credit allowed under Section 624.509(5), F.S., as these are limited by Section 624.509(6), F.S. (the 65 percent limitation);

d. The amount of the Strong Families Tax Credit under Section 624.51057, F.S., and

e. The amount of the Live Local Program credit under Section 624.51058, F.S.

2. Taxpayers must attach a copy of the tax credit allocation letter issued by the Department to the tax return on which any tax credit is taken.

(c)1. Sales and Use Tax – One hundred percent of the credit earned is allowed against any state sales and use tax due self-accrued and paid directly to the Department in accordance with a valid Sales and Use Tax Direct Pay Permit issued by the Department.

2. The Department will send written instructions on how to claim the credit allocation as a tax credit on a sales and use tax return remitted to the Department by electronic means.

(d)1. Tax on Oil and Gas Production – One hundred percent of the credit earned is allowed against any tax due on oil or gas production in Florida imposed under Sections 211.02 and 211.025, F.S.

2. The tax credit may not exceed 50 percent of the tax due on the return on which the tax credit is taken. If a taxpayer has

earned tax credits under Section 1002.395, F.S. (Florida Tax Credit Scholarship Program), Section 402.62, F.S. (Strong Families Tax Credit), and Section 1003.485, F.S. (The New Worlds Reading Initiative), the credit under Section 1002.395, F.S., will be applied first; the credit under Section 402.62, F.S., will be applied second; the credit under Section 1003.485, F.S., will be applied third; and the credit under Section 402.261, F.S., will be applied fourth, as applicable, until the 50 percent limit is reached.

3. Taxpayers must attach a copy of the tax credit allocation letter issued by the Department to the tax return on which the credit allocation, or a portion of the credit allocation, is taken as a tax credit.

(e)1. Excise Tax on Liquor, Wine, and Malt Beverages – One hundred percent of the credit earned is allowed against the following taxes administered by the Division.

a. Excise tax on liquor beverages imposed under Section 565.12, F.S.;

b. Excise tax on wine beverages imposed under Section 564.06, F.S., except excise taxes imposed on wine produced by manufacturers in Florida from products grown in Florida; or

c. Excise tax on malt beverages imposed under Section 563.05, F.S.

2. The tax credit taken on a return filed with the Division is limited to 90 percent of the tax due on the return. Taxpayers must attach a copy of the tax credit allocation letter from the Department to the tax return on which any tax credit is taken.

(f) Credits earned for corporate income tax or insurance premium tax will be taken into account when determining the estimated payment amounts required to meet the prior year exceptions for each tax. Cross reference: Rules 12C-1.034 and 12B-8.001, F.A.C.

(6) Carryforward of unused credits.

(a) When a taxpayer is unable to use a tax credit during the period specified by the Department in the tax credit allocation letter, because the taxpayer's liability is insufficient, the taxpayer may carry forward the unused tax credit amount for a period not to exceed five years.

(b) Examples.

1. Corporate Income Tax Example – A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the tax year ending December 31, 2025. Any unused carryforward from its tax year ending December 31, 2025, expires on the due date pursuant to Section 220.222, F.S., for the Florida corporate income/franchise tax return for the taxable year ending December 31, 2030.

2. Insurance Premium Tax Example – A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2025. Any unused carryforward from its tax year ending December 31, 2025, expires on December 31, 2030.

3. Sales and Use Tax Example – A taxpayer who holds a Sales and Use Tax Direct Pay Permit applied for and was approved for a credit allocation against sales and use tax due to the Department for the state fiscal year 2025-2026. The taxpayer's state tax liability in accordance with the Permit was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, 2026. Any unused carryforward from the 2025-2026 state fiscal year expires June 30, 2031.

4. Tax on Oil and Gas Production – The same application periods and credit carryforward periods that apply to a sales and use tax credit allocation apply to a credit allocation against the tax on oil and gas production.

5. Excise Taxes on Liquor, Wine, and Malt Beverages Example – A taxpayer who holds a liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year 2025-2026. The taxpayer's liability was insufficient to use the entire credit allocation during that state fiscal year. Any unused carryforward from the 2025-2026 state fiscal year expires June 30, 2031.

(7) Transfers of unused tax credits.

(a) A taxpayer may not convey, assign, or transfer an approved credit allocation or a carryforward tax credit to another entity unless all of the assets of the taxpayer are conveyed, assigned, or transferred in the same transaction. However, an approved credit allocation that has not been claimed on a tax return or a carryforward tax credit that has not been claimed on a tax return may be transferred between members of the same affiliated group of corporations.

(b) A transferred credit allocation or carryforward tax credit may only be used against the same tax as the original credit allocation approved by the Department.

(c) A transferred credit allocation or carryforward tax credit may only be taken by the receiving member of the affiliated group during the same period for which the transferring member was approved.

(d)1. A taxpayer must notify the Department of its intent to transfer any unused credit allocation or carryforward tax credit to another member of its affiliated group by submitting Child Care Tax Credits Program – Notice of Intent to Transfer a Tax Credit (Form DR-556200, incorporated by reference in Rule 12-29.003, F.A.C.). A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

2. Taxpayers must submit an application for transfer of any unused credit allocation or carryforward tax credit to the Department by email at CreditTrackingGroup@floridarevenue.com or by mail to:

Florida Department of Revenue
Revenue Accounting

P.O. Box 6609
Tallahassee, FL 32314-6609

(e) The Department must approve the application for transfer of the unused credit allocation or carryforward tax credit before the receiving member may claim a tax credit on a tax return. For excise tax on liquor, wine, and malt beverages, the Division must also approve the transfer before the receiving member may claim a tax credit on a tax return.

(f) Following receipt of an application, the Department will send written correspondence approving the transfer or providing the reason the transfer could not be approved. The taxpayer may protest the denial pursuant to Sections 120.569 and 120.57, F.S.

(g) If the transfer is approved, a copy of the approval letter will be sent to both the transferring member and the receiving member. The approval letter will include instructions on how the receiving member may claim a tax credit on a tax return.

(8) Rescindment of unused tax credits.

(a) The rescindment provision allows credit allocations that will not be used by the taxpayer to be reallocated to other taxpayers who may use the credit allocation. Taxpayers must apply online using the Department’s website at floridarevenue.com or submit Child Care Tax Credits Program – Application for Rescindment of Previous Allocation of Tax Credit (Form DR-556100, incorporated by reference in Rule 12-29.003, F.A.C.) to the Department to rescind all or a portion of an unused credit allocation. See paragraph (3)(a) for submitting the application to the Department.

(b) An application for rescindment of the unused credit allocation by the Department will not be approved when:

1. The amount of credit allocation requested to be rescinded has been claimed as a credit on a previously filed return; or

2. The allocation year is closed for all taxpayers. The allocation period for a calendar year is closed for all taxes and all taxpayers on October 1 of the third year following the January 1 opening of the allocation period, regardless of whether the annual tax credit cap has been reached. For example, the allocation period beginning January 1, 2025, for the state fiscal year beginning July 1, 2025, closes for all taxpayers on October 1, 2027.

(c) Following receipt of an application, the Department will send written correspondence regarding the amount of the rescindment, or the reason rescindment could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the rescindment before the Department will issue such correspondence. The taxpayer may protest the denial pursuant to Sections 120.569 and 120.57, F.S.

Rulemaking Authority 213.06(1), 402.261(7) FS. Law Implemented 211.0254, 212.1835, 220.19, 402.261, 561.1214, 624.509(7), 624.5107 FS. History—New .

NAME OF PERSON ORIGINATING PROPOSED RULE:
Martha Gregory
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Governor and Cabinet
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: December 17, 2024
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: October 28, 2024

[REDACTED]