New Hope Scholarship Program Begins October 1, 2018

The Hope Scholarship Program provides a public-school student who was subjected to an incident of violence or bullying at school the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.

Making a Contribution

Beginning October 1, 2018, anyone who purchases or registers a motor vehicle (as defined below) in Florida may designate $105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization participating in the Hope Scholarship Program. If the state sales tax due is less than $105, the designated amount is the full amount of state sales tax due.

"Motor vehicle" means any automobile, truck with a net vehicle weight of 5,000 pounds or less and any other vehicle operated on the roads of Florida, used to transport persons or property, and propelled by power other than muscular power. Heavy trucks, truck tractors, trailers, motorcycles, and mopeds are not "motor vehicles" for purposes of the Hope Scholarship Program.

Motor vehicle dealers, private tag agencies, and county tax collectors are required to provide a Hope Scholarship Program - Contribution Election (Form DR-HS1) form to each purchaser or registrant of a qualified motor vehicle. If the purchaser or registrant chooses not to contribute, Form DR-HS1 does not need to be completed or retained.

The dealer, agency, or county tax collector receiving the contribution must remit the contribution directly to the designated eligible nonprofit scholarship-funding organization. Contributions collected during a reporting period must be paid to the designated organization no later than the date the sales and use tax return for the reporting period is due to the Department by the dealer, agency, or county tax collector.

Reporting Contributions

Motor Vehicle Dealers, Private Tag Agencies, and County Tax Collectors

Motor vehicle dealers, private tag agencies, and county tax collectors receiving contributions for the Hope Scholarship Program must report the amount of contributions received during each reporting period to the designated eligible nonprofit scholarship-funding organization and to the Department. The fastest and easiest way to complete the Hope Scholarship Program - Dealer Contribution Collection Report is online. You may also report by submitting the paper Hope Scholarship Program - Dealer Contribution Collection Report (Form DR-HS2) available at floridarevenue.com/forms.

Reports by motor vehicle dealers and private tag agencies are due on the 1st day of the month following the sales and use tax reporting period and are late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, the report will be timely if received on the first business day following the 20th.
Reports by county tax collectors are due at the same time sales and use tax reports and payments are due to the Department, as prescribed in Section 219.07, Florida Statutes.

Nonprofit Scholarship-Funding Organizations

Nonprofit scholarship-funding organizations receiving contributions from motor vehicle dealers, private tag agencies, and county tax collectors must file a Hope Scholarship Program - Contributions Received by an Eligible Nonprofit Scholarship-Funding Organization (Form DR-HS3) with the Department each month. The report must contain the contributions received from each motor vehicle dealer, private tag agency, and county tax collector during the preceding calendar month. Reports are due to the Department on or before the 20th day of the month following the month contributions are received. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, the report must be received on the first business day following the 20th.

Penalties

Any motor vehicle dealer, private tag agency, county tax collector, or eligible nonprofit scholarship-funding organization that fails to file a required report is subject to a penalty of $1,000 each month or a portion of a month, up to $10,000.

Florida law requires the Department to notify the designated eligible nonprofit scholarship-funding organization if it determines that a motor vehicle dealer, private tag agency, or county tax collector claimed a Hope Scholarship Program sales tax credit and failed to remit the contribution to the designated eligible nonprofit scholarship-funding organization. The notification will include the name, address, federal employer identification number (FEIN), and information related to the difference between the amount of credit claimed by the motor vehicle dealer, private tag agency, or county tax collector and the contribution amount remitted to the organization.

Reporting Tax Credits

For reporting periods beginning on or after October 1, 2018, motor vehicle dealers, private tag agencies, and county tax collectors must report the contributions of state sales tax as Hope Scholarship Credits on their sales and use tax returns. The total amount of tax due reported on the tax return for vehicle sales or registrations must include the total state sales tax due before deducting the contribution of state sales tax to the Hope Scholarship Program (see examples on next page).

For more information, visit the Department’s Hope Scholarship Program web page at floridarevenue.com/taxes/sfo.

References: Sections 212.1832 and 1002.40, Florida Statutes; Emergency Rule 12AER18-07

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 the Department’s website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

Want the latest tax information?
✓ Subscribe to our tax publications or sign up for due date reminders at floridarevenue.com/dor/subscribe
✓ Follow us on Twitter @FloridaRevenue
Report Hope Scholarship Credits on Line 16. Include the amount reported on Line 16 in the amount of lawful deductions on Line 6.