

Status: **Obsolete - See Taxpayer Information Publications 98C1-07S and 98C1-07R**

Florida Department of Revenue
Tax Information Publication

TIP 98C1-07
DATE ISSUED: Oct 02, 1998

A Credit Against Corporate Income Tax/Franchise
Tax or Insurance Premium Tax for Certain Child Care
Costs Is Available for Costs Incurred
on or after December 31, 1998

**The Corporate Income Tax Deduction for Child Care Facility
Startup Costs Is Eliminated for Tax Years Ending on or after
December 31, 1998**

The 1998 Legislature created a credit to be used against
Corporate Income Tax (CIT) or Insurance Premium Tax (IPT) for
child care costs. The credit may be used for costs associated
with any of the following:

- * Startup costs of child care facilities operated by a
corporation for its employees.
The credit is 50% of the costs.

- * Operation of a child care facility on behalf of a
corporation's employees.
The credit is \$50 per month for each child enrolled in the
facility.

- * Payments to a child care facility on behalf of a
corporation's employees.
The credit is 50% of the amount of the payments.

Application for Child Care Tax Credits

Any corporation that wishes to participate in this program must
submit an Application for Child Care Tax Credits (Form F-1159)
to the Department of Revenue. This form will be available
December 1, 1998, from the Department of Revenue and the

Department of Children and Families.

Guidelines and Credit Limitations

- * The total amount of tax credit available under this program is \$2 million for each state fiscal year (July through June) and will be allocated on a first-come, first-served basis.
- * A corporation may claim this credit against either CIT or IPT, **but not both**.
- * A corporation may receive up to \$50,000 in tax credits for all approved child care costs that it incurs in any one tax year.
- * Any approved credits that are unused due to insufficient tax liability may be carried forward for up to five years against future CIT/IPT.
- * Eligibility for the startup cost credit requires submission of an application For Child Care Tax Credits to the Department of Revenue **within the same state fiscal year** in which the facility initially begins operation.
- * If the facility fails to operate for five years, the credit child care facility startup costs may have to be repaid.
- * The child care facility must be licensed through the Department of Children and Families, a local licensing agency, or must be a facility providing daily care to children who are mildly ill. Contact the Department of Children and Families for additional information at 850-488-4900 and ask for a Child Care Licensing Specialist.
- * The child care facility operated by the corporation must be used by employees of the corporation. It must be available to all employees of the corporation or allocated on a first-come, first-served basis.
- * Two or more corporations may join together to start and operate a child care facility in accordance with the

provisions stated in the statute.

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 more information call Tax Information Services, Monday -Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, PO Box 7443, Tallahassee, FL 32314-7443.

Also, visit our web site at <http://sun6.dms.state.fl.us/dor/> for forms and other information.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

s. 220.19, F.S.

s. 624.5107, F.S.