

TAX: Corporate Income Tax
 ISSUE: Credits for Contributions to Public Schools
 BILL NUMBER(S): HB 383
 SPONSOR(S): Representative McInvale
 MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2004
 DATE OF ANALYSIS: March 17, 2004
 SECTION 1: NARRATIVE

a. **Current Law:** The Florida Statutes do not authorize a credit against corporate income tax for eligible contributions, made by a taxpayer, to public schools.

b. **Proposed Change:** Provides for a credit against corporate income tax for eligible contributions made by taxpayers for a public school to the district school board. The credit is 100% of the eligible contribution made. The total amount of tax credit, including carryforward tax credits that may be granted each state fiscal year, is \$88 million, and at least 5 percent of the \$88 million is reserved for taxpayers who meet the definition of small business at the time of application. Each taxpayer, including a group filing a consolidated return, is limited to a maximum credit amount equal to 75% of its corporate income tax liability. A taxpayer may not contribute more than \$5 million annually to any single public school each year. Unused credits may be carried forward up to three years.

SECTION 2: DESCRIPTION OF DATA & SOURCES
 DOR Data, SFO count by month, 2/25/04.

SECTION 3: ASSUMPTIONS & RATIONALE
 Use of this tax credit will closely reflect use of the SFO tax credit.

SECTION 4: METHODOLOGY
 See attached.

SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)

State Impact—All Funds	FY 2004-05 Annualized	FY 2004-05 Cash	FY 2005-06 Cash
High			
Middle	(\$84.0) Million	(\$84.0) Million	(\$84.0) Million
Low			

Consensus Estimate: Adopted: 3/19/04	FY 2004-05 Annualized	FY 2004-05 Cash	FY 2005-06 Cash
General Revenue	(88.0)	(88.0)	(88.0)
Total State Impact			
Total Local Impact			
Total Impact	(88.0)	(88.0)	(88.0)

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CREDITS FOR CONTRIBUTIONS FOR PUBLIC SCHOOLS TO THE DISTRICT SCHOOL BOARD

SFO History

State Fiscal Year	Credits Approved	Cap	% Claimed
2003	\$47,686,000	\$50,000,000	95.4%
2004 to date	\$47,579,000	\$50,000,000	95.2%

95% of credits are claimed under the SFO program.

Credits for contributions to public schools

State Fiscal Year	Credits Approved	Cap	% Claimed
2005	\$83,952,000	\$88,000,000	95.4%
2006	\$83,952,000	\$88,000,000	95.4%
2007	\$83,952,000	\$88,000,000	95.4%