

A GREAT **Twist** TO CORPORATE GIVING...

IT DOESN'T COST YOU ANYTHING!

SO HOW DOES THAT WORK?

READ BELOW TO SEE HOW MARSH CREEK COUNTRY CLUB SPONSORED 6 HABITAT FOR HUMANITY HOMES – 100% PAID FOR WITH TAX CREDITS! OTHER LOCAL TAX CREDIT HABITAT HOME SPONSORS: McDonald's, BB&T, Gate Petroleum, St. Augustine Alligator Farm, Northrop Grumman, St. Augustine Record, Prosperity Bank, Ring Power, Atlantic Dodge, Bank of America, PGA Tour and O.C. White's Restaurant.

The Community Contribution Tax Credit Program (CCTCP) provides a financial incentive (**100% tax credit**) to encourage Florida corporations to make donations and provide volunteer labor toward community development and housing for low-income families.

The tax credit is easy for a business to receive. Corporations located anywhere in Florida that make donations and provide volunteer labor to approved community development housing may receive **a tax credit equal to 100% of the value of the donation**. Businesses may take the credit on Florida Corporate Income Tax, Franchise Tax, or Insurance Premium Tax.

Effective July 2001, persons who are registered with the State to collect or remit Sales or Use Tax are also eligible to receive the tax credit for donations made to eligible sponsors.

The credit shall be granted as a refund against State Sales and Use Taxes reported on returns and remitted in the last 12 months preceding the date of the application of the tax credit.

If the tax credit is not fully used through such refund because of insufficient tax payment during the 12-month period, the unused amount can be carried forward for three years.

Habitat for Humanity of St. Augustine / St. Johns County is an approved Community Contribution Tax Credit Sponsor eligible to receive contributions.

Who Can Contribute?

Any corporation paying Florida Corporate Income Tax, Franchise Tax, Insurance Premium Tax or anyone collecting State Sales Tax is eligible to receive a tax credit equal to 100% of the value of the donation.

What Is an Eligible Contribution?

Cash, property, and goods donated to approved sponsors are eligible for the credit. Dues and services are not eligible donations.

How Much Credit Can A Business Receive?

A business is eligible to receive credits of up to \$200,000 per tax year.

Unused corporate tax credits can be carried over for up to 5 years. Sales tax remittances can be carried over for 3 years.

There are now \$12 million dollars in state tax credits that will be available during the fiscal year (July 1, 2007 to June 30, 2008). Credits are given on a first-come, first-served basis.

Calculation of the Tax Credit

The corporate tax credit is based on the appraised value of the home, not the donation required to cover the cost of building the new home.

Assume that the appraised value of the home (excluding land) is \$110,000. The tax credit received by the corporate sponsor is 50% of the appraised value = \$55,000. The credit can be applied against either Florida Corporate Income Tax or against Sales and Use Tax paid by any persons registered with the State to collect or remit these taxes.

The credit for Florida Corporate Income Tax can be applied against the appropriate state tax return.

The credit for Sales and Use Tax will be refunded by the State from the latest 12 month's remittances. If these remittances are less than the credit, then the remaining refund can be obtained from future remittances over the next three years.

A new appraisal will be provided for each separate sponsorship to document value.

Contribution to Construct Home

Habitat requires approximately \$55,000 to build a new three bedroom, two bath home. This covers all costs except land and closing costs. Construction costs are significantly below appraised value because of volunteer labor. Sponsoring companies are required to provide labor on the sponsored home. Additional volunteer groups may partner with the sponsoring company to build the home.

The corporation will provide a check for the cost of the building materials prior to the start of construction.

Process to Apply for the Credit

The corporation needs to sign only two documents (prepared by Habitat):

1. An **Application for a Community Contribution Tax Credit**. This is a form to be submitted to the State of Florida.
2. A **Deed of Improvements**, which conveys that the new dwelling was built by the corporation and Habitat for Humanity.

Important Note

The amount the State of Florida has set aside (07/08 fiscal year) for the tax credit is \$12 million. Habitat takes responsibility for keeping up with the program and the funding remaining for the current fiscal year.

Federal and other state taxes may be affected by CCTCP refund. We suggest you have your tax professional evaluate the actual cost impact to your business.

Call 904.826.3252 x2002
to learn more about
the 100% Give'n'Get back way
to help Your Community

