

CONTRIBUTION TAX CREDIT PROGRAM (CCTC)



BASIC FACTS

- Administered by Florida Department of Economic Opportunity (FDEO)
- Authorized by Florida Statutes, Section 220.183
 - \$3.5M per year for community development projects (includes affordable RENTALS)
 - \$12.5M in FY 2018-2019 for affordable HOMEOWNERSHIP projects
 - 13.5mm in FY 2019-2020
 - Only housing for person at/below 80% AMI
- Up to 50% tax credit or sales tax refund for donations
- Florida corporate income tax, insurance premium tax or sales tax (businesses registered to collect/remit sales tax)

STEPS TO CLAIMING A TAX CREDIT

- **Governmental Resolution**
- **Sponsor Application**
- **FDEO Approval**
- **Donation**
- **Deed of Improvements (for Whole House Donation)**
- **Donor Tax Credit Submission Package**
- **Donor receives refund from Florida Department of Revenue (FDOR) or credit against future taxes**

GOVERNMENTAL RESOLUTION

- **RESOLUTION FROM GOVERNMENTAL AGENCY APPROVING THE PROJECT**

- Ask local representative in the neighborhood of the project to sponsor resolution

RESOLUTION NO. 2018 -

- **A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF _____, FLORIDA (“CITY”) PROVIDING FOR THE CERTIFICATION OF NON-PROFIT AFFORDABLE HOUSING DEVELOPERS _____ AND _____ (“NON-PROFITS”) AS ELIGIBLE SPONSORS UNDER THE COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM**
- Can provide sample resolution language on request

APPLICATION TO BECOME SPONSOR

- **Package available from FDEO**
- **Must be 501(c)(3)**
- **Attachments:**
 - **Resolution**
 - **Corporate Documents (articles, certificate of good standing etc.)**
 - **Project Narrative – description of the housing project, partner agencies, income guidelines, value of the homes, etc.**
- **Approval generally received within 2 weeks (must renew every year)**
- **Ready to approach potential Donors!!**

POTENTIAL DONORS

- **Must have significant FLORIDA tax liability**
- **Can claim up to \$200k credit per year**
- **Typical Businesses:**
 - **Corporations**
 - **Insurance companies**
 - **Hotels**
 - **Retail Establishments**
 - **Large restaurants/chains**
 - **CAR DEALERSHIPS**
 - **“Big Box” Retailers**

EXAMPLE

- **Restaurant Donates \$10,000 to approved Affordable Housing Nonprofit for a home to be sold to 80% AMI Buyer**
- **Donor submits required documentation to FDEO**
- **Entitled to \$5k credit against sales tax obligations or refund against previous sales tax remittances**

WHOLE HOUSE DONATION

Donor Corporation contributes up to 50% of the Appraised Value of the House (less the land cost) in cash

- **As-built appraisal must be within 12 months prior to donation**
- **Donor Corporation arranges for 200 volunteer hours**
 - **Don't have to be corporate representatives or employees**
 - **Nonprofit can coordinate volunteer hours**
 - **MUST be documented - Sign-in sheets, etc.**
- **Upon receipt of certificate of occupancy, Donor Corporation delivers a "Deed of Improvement" – not recorded**
- **Donor Corporation gets tax credit/refund equal to 50% of value of home (i.e. 100% of the cash contribution)**

HOW IT WORKS

- **House appraises (after land cost subtracted) for \$200,000.**
- **Donor Corporation donates \$100,000 to Non-Profit (50% of Value) to Sponsor the House**
 - **Must be received prior to a Certificate of Occupancy**
- **Nonprofit arranges Volunteer Day(s), recruits, organizes & hosts volunteers (inviting Donor Corporation employees to participate), keeping written track of volunteers & hours worked, to achieve 200 hours of Volunteer time at the job-site.**
- **CO issued and Donor Corporation delivers a Deed of Improvement**
- **Required paperwork sent to FDOE and sales tax credit check for \$100,000 is issued & sent from FDOR to Donor Corporation.**

TIMING THE AVAILABILITY OF TAX CREDITS

- **2018-19 SALES TAX CREDITS:** If Certificate of Occupancy AND Donor's tax credit application package is submitted on or before 6/30/19, then FY 2018-19 tax credits can be issued, assuming that funds are still available (FY ends 6/30/19).
- **2019-20 SALES TAX CREDITS:** A new allocation of \$13.5M becomes available 7/1/19. Priority is given to applications submitted BEFORE 7/15/19, after which the tax credit applications are subject to availability (i.e., first come, first serve).
- If Deed of Improvement is issued after 1/1/19, then could apply for FY 2018-19 credits if available OR FY 2019-20.

Questions????

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Thank You

Thank you for attending!

