

HB 7055 – Creation of “The Hope Scholarship Program”

House Speaker bill – passed 2018 Florida Session and signed by the Governor

Effective October 1, 2018 - New requirements in F&I/sales

On October 1, 2018 every customer who purchases a new or used vehicle has some new options in paying their sales tax and dealers have three new responsibilities beginning that day:

- Provide a customer with a Hope Scholarship contribution election form
- Collect the monies designated in every deal where a customer elects to contribute
- Remit and report these collections for Hope to Step Up for Students and report these collections to the Department of Revenue

This was the House Speaker’s number one priority in the 2018 Session and was created to provide scholarships for bullied students.

Purchasers of new and used motor vehicles can designate up to \$105 of the sales tax due towards “The Hope Scholarship Program”, not to exceed the total sales tax amount. The tax credits, up to \$105, are only available on the purchase price of the new/used vehicle, not on any auxiliary purchases. Leases are excluded as are heavy trucks, truck tractor, trailer and motorcycles.

Note: there is currently only one state approved “Scholarship Funding Organization” to administer this program: Step Up for Students.

At the time of purchase, dealers must provide customers with a Florida DOR contribution election form for the Program. This form will explain the program and allow the consumer to elect the amount of their contribution or designate no interest in this program. FADA has proposed a draft contribution form for DOR’s consideration (included on reverse side).

Each month by the 20th, a motor vehicle dealer must remit The Hope Scholarship Program contributions to Step Up for Students and report the total contribution amounts to the Florida DOR. We do not know what forms will be required for reporting to DOR at this time, but FADA has suggested to DOR to add a line to the existing DR-15 Sales and Use Tax Return to capture The Hope Scholarship contributions.

A motor vehicle dealer who fails to submit timely reports, will face \$1,000 penalty to the dealer for every month, or part thereof, the report is not provided, up to a maximum of \$10,000 by the DOR, unless noncompliance is due to reasonable cause. An individual who defrauds or misappropriates funds greater than \$300 is subject to felony charges.

Motor vehicle dealers will need to program their DMS / CRMs for program compliance and FADA is working with DMS providers to prepare them for these changes.

We do not plan to change the buyers order as it will still need to reflect the total tax due. However, dealers will create a sub-account to house the Step Up contributions received each month from customer designations. Dealers will remit the Hope Scholarship Fund contributions 20 days after the end of each month to Step Up for Students and the balance of taxes due to the DOR as you do now on the DR15.

We are working with the Department of Revenue on the rules for this program and with the DMS vendors in hopes of a smooth transition. So we do expect changes and will report them as soon as known.



Department of Revenue Contribution Election Form

DR-XXXXX

Florida Statute 1002.40(13)(a)
Effective 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 ENVIRONMENT.

Purchasers of new and used motor vehicles (excluding leases) can designate up to \$105 of the sales tax due for this program, not to exceed the total sales tax amount.

Tax credits, up to \$105, are only available on the purchase price of the new/used vehicle, not on any auxiliary purchases.

Heavy trucks, truck tractor, trailer or motorcycles are not eligible for participation.

I/We do not wish to designate a portion of the sales tax to the Hope Scholarship.

I/We wish to designate a portion of the sales tax to the Hope Scholarship.
Amount designated (\$1 - \$105 of sales tax due): _____

Customer name: _____

Customer signature: _____

Address: _____

City: _____ State: _____ Zip: _____

Date: _____

VIN number: _____

Deal number: _____

Dealer FEIN: _____