



Florida's Sales and Use Tax

Do I need to collect sales tax?

What Is Taxable?

Sales Tax

Florida law states that each retail sale, storage for use, admission, use, or rental is taxable unless the transaction is exempt. Florida's general sales tax rate is six percent (6%); however, most Florida counties also have a discretionary sales surtax that needs to be added to the general sales tax rate of 6%. To compute the Florida sales tax rate for each county, add the county discretionary sales surtax rate to the general sales and use tax rate of 6%.

For any portion of a taxable sale less than a whole dollar amount, you must use the "**bracket system**" to compute the sales tax on the portion of the sale that is between whole dollar amounts. The tax collected on amounts less than whole dollar amounts is not a straight percentage of the total tax rate. To get **bracket rates** for all Florida counties, visit the Department's website www.myflorida.com/dor and select the Quick Link "Forms and Publications" then go to the Sales and Use Tax category. The first item in that category is a link to all the "Sales Tax Brackets" currently being used in Florida.

Discretionary Sales Surtax

Under specific conditions, Florida counties levy a discretionary sales surtax on transactions subject to sales and use tax. A dealer who sells and delivers taxable goods or taxable services must collect the surtax at the rate in the county where the goods or services are delivered. For motor vehicle and mobile home sales, use the surtax rate of the county where the vehicle or mobile home will be registered.

Only \$5,000 of a single sale of tangible personal property is subject to discretionary sales surtax if the property is sold as a single item, in bulk, as a working unit, or as part of a working unit. The \$5,000 limit does not apply to commercial rentals, transient rentals, or services.

Use Tax and Consumption

Use tax is applied in the same manner as sales tax. The use tax rate and sales tax rate are the same, including discretionary sales surtax, if it applies. Use tax is due on purchases made out of state when the item is brought into Florida for use or storage in Florida within six months of the purchase date.

If the item brought into Florida is subject to tax, a credit for taxes paid to another state, a U.S. territory, or the District of Columbia is allowed. Credit is not given for taxes paid to another country. If you buy a product tax-exempt that you plan to sell at retail, but end up using at your place of business, the "use" of the product is taxable. If you buy materials that are "consumed" in a manufacturing process to create your end product, but are not part of the end product, the materials are subject to use tax.

Who Must Register to Collect Tax?

Before you open a business in Florida, you must find out if your business activity, product use, or consumption will be subject to Florida sales tax. Some government agencies require you to register with the Department of Revenue before they will issue a license.

Here are some activities that require the collection of sales tax or the payment of use tax:

- Sales of taxable items at retail.
- Repairs or alterations of tangible personal property.
- Rentals, leases, or licenses to use real property (for example, commercial office space or mini-warehouses).

- Rentals of short-term living accommodations (for example, motel/hotel rooms, beach houses, condominiums, timeshare resorts, vacation houses, or travel parks).
- Rental or lease of personal property (for example, vehicles, machinery, equipment, or other goods).
- Charges for admission to any place of amusement, sport, or recreation.
- Operating private membership clubs that provide recreational or physical fitness facilities.
- Manufacturing or producing goods for sale at retail.
- Importing goods from any state or foreign country, for sale at retail or for use in the business.
- Selling service warranty contracts.
- Ordering and using, on a regular basis, mail-order products on which no sales tax was charged.
- Operating vending or amusement machines.
- Providing taxable services (for example, investigative and crime protection services, interior nonresidential cleaning services, and nonresidential pest control services).

If you don't know if your business must register to collect sales tax, contact Taxpayer Services.

Who Is Exempt?

Federal, state, county, and city governments; and nonprofit organizations, such as religious, charitable, scientific, educational, or veteran organizations (as defined in section 212.08, Florida Statutes) do not have to **pay sales tax** on certain purchases. If you believe your organization qualifies for an exemption, you must submit an *Application for Consumer's Certificate of Exemption* (Form DR-5). You can download this form from our website at www.myflorida.com/dor.

The federal government does not collect state sales tax. Also, qualified religious institutions do not collect and pay sales tax on the sale or lease of tangible personal property.

How Do I Register to Collect Sales Tax?

You can register to collect and report tax through our website. The site will guide you through an application interview that will help you determine your tax obligations. If you do not have Internet access, you can fill out a paper *Florida Business Tax Application* (Form DR-1).

After we approve your registration, you will receive a *Certificate of Registration* (Form DR-11), and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13). If you are not filing electronically, we will mail paper tax returns to you. The *Florida Annual Resale Certificate for Sales Tax* is used for tax-exempt purchases or rentals of property or services you intend to resell or re-rent as part of your business. If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*.

How Is Tax Calculated?

Sales tax is calculated at the time of each transaction. When sales transactions are between whole dollar amounts, use the **bracket system** to calculate tax due when any part of each total sale is less than a whole dollar amount. The tax collected must be calculated on the total amount of the sale. The sales tax and discretionary sales surtax must be separately shown on each invoice or other evidence of the sales transaction. Taxpayers must pay the actual tax collected, which in many cases is more than a straight percentage of the sales or untaxed purchases.

When Is Tax Due?

Returns and payments are due the first day of the month and late after the 20th of the month following each reporting period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns and payments will be timely if they are postmarked on the first business day after the 20th. **Florida law requires you to file a tax return even if you do not owe sales and use tax.**

Electronic Filing and Payment

We offer the use of our free and secure website to file and pay sales tax. You also have the option of buying software from a software vendor. For more information on electronic filing and payment options, visit our website.

You may voluntarily file and pay taxes electronically; however, if you pay \$20,000 or more in sales and use tax between July 1 and June 30 (the state fiscal year), you must use electronic funds transfer (EFT) for the next calendar year to pay your taxes.

If you make tax payments using electronic funds transfer (EFT), you must initiate electronic payments no later than 5:00 p.m., ET, on the business day before the 20th.

Penalty and Interest

Penalty - If you file your return or pay tax late, a late penalty of 10 percent of the amount of tax owed, but not less than \$50, may be charged. The \$50 minimum penalty applies even if no tax is due. Penalty will also be charged if your return is incomplete.

Interest - A floating rate of interest applies to underpayments and late payments of tax. Current and prior period interest rates are posted on our website.

How Are We Doing?

Please give us your feedback on this brochure by taking our one-minute survey.

Go to **www.myflorida.com/dor** and select "Surveys."

Reference Material

Tax Laws – Our online Revenue Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the library for rules regarding sales and use tax.

Brochures – Download these brochures from our "Forms and Publications" page:

- *Considering Business Opportunities in Florida?* (GT-800029)
- *Florida's Discretionary Sales Surtax* (GT-800019)
- *Florida Annual Resale Certificate for Sales Tax* (GT-800060)

Industry-specific brochures are also available on our website.

Contact Us

Information, forms, and tutorials are available on our website: **www.myflorida.com/dor**

To speak with a Department representative, call Taxpayer Services, 8 a.m. to 7 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

To find a **taxpayer service center** near you, go to: **www.myflorida.com/dor/contact.html**

For written replies to tax questions, write to:

Taxpayer Services – MS 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

Get the Latest Tax Information

Subscribe to our tax publications to receive due date reminders or an email when we post:

- Tax Information Publications (TIPs).
- Proposed rules, notices of rule development workshops, and more.

Go to: [**www.myflorida.com/dor/list**](http://www.myflorida.com/dor/list)