

Sales Tax

Each sale, admission, storage, or rental in Florida is taxable, unless the transaction is exempt. Sales tax is added to the price of taxable goods or services and collected from the purchaser at the time of sale.

Florida's general state sales tax rate is 6% with the following exceptions:

- Retail sales of new mobile homes - 3%
- Amusement machine receipts - 4%
- Rental, lease, or license of commercial real property - 5.5%
- Electricity - 6.95%

Use Tax

Use tax is due on the use or consumption of taxable goods or services when sales tax was not paid at the time of purchase. For example:

- If you buy a taxable item in Florida and did not pay sales tax, you owe use tax.
- If you buy an item tax exempt intending to resell it, and then use the item in your business or for personal use, you owe use tax.
- If you buy a taxable item outside Florida and bring it into (or have it delivered into) Florida, and you did not pay sales tax on the item, you owe use tax.

Discretionary Sales Surtax

Many Florida counties have a discretionary sales surtax (county tax) that applies to most transactions subject to the sales or use tax. The county surtax rate applies to a taxable item or service delivered into a county imposing a surtax. (The surtax rate that applies to motor vehicles and mobile homes is determined by the home address of the purchaser.) For a list of discretionary sales surtax rates, visit the Department's Forms and Publications webpage and select the current year *Discretionary Sales Surtax Information* (Form DR-15DSS) under the Discretionary Sales Surtax section, updated yearly in November.

For certain transactions, only the first \$5,000 of a taxable sale or purchase is subject to the discretionary sales surtax.

Transient Rental Taxes

In addition to state sales and use tax and discretionary sales surtax, Florida law allows counties to impose local option transient rental taxes on rentals or leases of accommodations in hotels, motels, apartments, rooming houses, mobile home parks, RV parks, condominiums, or timeshare resorts for a term of six months or less. For a list of local option transient rental taxes, visit the Department's Local Option Taxes webpage.

In many counties, the local transient rental taxes are reported and remitted directly to the local government; however, sales tax and discretionary sales surtax on transient rentals are always reported and remitted to the Department. View a list of the *Local Option Transient Rental Tax Rates (Tourist Development Tax Rates)* (Form

Who Must Pay Tax

Before you begin business in Florida, you must first find out if your business activity or products will be subject to sales and use tax. If it is, you must register to collect sales tax or pay use tax. Here is a partial list of business activities that require you to register with the Florida Department of Revenue:


- 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)
- Rentals or leases of personal property (for example: vehicles, machinery, equipment, or other goods)
- Charges for admission to any place of amusement, sport, or recreation
- Manufacturing or producing goods for retail sales
- Selling service warranty contracts
- Operating vending or amusement machines
- Providing taxable services (for example: investigative and crime protection services, interior nonresidential cleaning services, or nonresidential pest control services)
- Out-of-state businesses selling into Florida that have any number of transactions with total sales over \$100,000 in the prior calendar year
- Marketplace providers facilitating remote sales into Florida

How Tax is Calculated

Sales tax and discretionary sales surtax are calculated on each taxable transaction.





Effective July 1, 2021, businesses that collect and remit sales and use taxes to the Florida Department of Revenue must use a rounding algorithm when calculating the sales tax due on a transaction. Using this algorithm, the computation of the tax must be carried to the third decimal place; if the third decimal place is greater than 4, the tax must be rounded up to the next cent.

Businesses may apply the rounding algorithm to the aggregate tax amount computed on all taxable items on an invoice or to the taxable amount on each individual item on the invoice. Use of the rounding algorithm takes effect July 1, 2021, and businesses have until September 30, 2021 to update their point-of-sale systems.

For additional information on rounding, review Tax Information Publication (TIP) #21A01-02 , "*Rounding to Replace 'Bracket System' in Calculation of Sales and Use Taxes.*"

Any person making taxable sales in Florida must separately state Florida sales tax on each customer's invoice, sales slip, receipt, billing, or other evidence of sale. The sales tax and discretionary sales surtax may be shown as one total, or the sales tax and surtax may be shown separately.

Effective tax rates and rate divisors may be used by certain industries when it is impractical to separately state Florida sales tax on an invoice, sales slips, receipt, billing, or other evidence of a sale. These industry specific effective tax rates and rate divisors, and instructions for computing sales tax and discretionary sales surtax are available in the following brochures:

- *Sales and Use Tax on Alcoholic Beverages* (GT-800046 )
- *Sales and Use Tax on Amusement Machines* (GT-800020 )
- *Sales and Use Tax on Concession Stands* (GT-800003 )
- *Sales and Use Tax on Vending Machines* (GT-800041 )


Taxes on Remote Sales


Effective July 1, 2021, Florida law requires businesses making remote sales into the state to collect and electronically remit sales and use tax, including any applicable discretionary sales surtax, on those transactions if the business has made taxable remote sales in excess of \$100,000 over the previous calendar year.

Examples of remote sales are:


- Purchases made through the internet
- Mail-order catalog purchases
- Purchases made in another country
- Furniture purchased from dealers located in another state
- Computer equipment ordered from out-of-state vendors advertising in magazines

Many out-of-state businesses, such as large internet retailers, already collected and remitted sales and use taxes to the Florida Department of Revenue prior to passage of Chapter 2021-2, Laws of Florida.

Additionally, effective July 1, 2021, marketplace providers are required to electronically register to collect and electronically remit sales and use tax on taxable sales they facilitate for marketplace sellers for delivery into Florida. A separate electronic registration application is required for each place of business located within Florida. Out-of-state businesses can submit one application for all out-of-state locations. The information required in this electronic application is provided in the *Florida Business Tax Application for Marketplace Providers and Remote Sales* (DR-1MP ) . Reference Emergency Rules 12ER21-6, 12AER21-9, 12AER21-12, and 12AER21-13.


For additional information on remote sales, review Tax Information Publication (TIP) #21A01-03 , "*New Registration Requirement for Persons Making Remote Sales and for Marketplace Providers and Sellers.*"

Tips for Filing Your Return


- **File on time** for each reporting period even if no tax is due. Don't skip reporting periods or add a partial reporting period to the next return.
- **Sign up to receive due date reminder emails** every reporting period. These emails are a convenient resource to help you meet your filing obligation.
- Sales reported on lines A through E of the *Sales and Use Tax Return* (Form DR-15 ) may have different tax rates. **Enter your transactions on the right lines** so no additional tax will be due.

- **Compute the correct sales tax, including discretionary sales surtax** (county tax), if any.
- **Complete all information on your return, including front and back. Be sure to include** your signature and your preparer's signature.
- **If you are reporting discretionary sales surtax (county tax) collected, you must complete the back of your return.** Need more information? Take our tutorial [How to Calculate, Collect, and Report Your Discretionary Sales Surtax](#).
- **Don't include tax collected in gross sales.** If you include the tax collected in gross sales, it will increase the amount of tax due and you will receive a bill for additional tax due.
- When you electronically file and pay on time, **you may take a collection allowance. Be sure to calculate it correctly.** The collection allowance is 2.5% (.025) of the first \$1,200 of tax due, not to exceed \$30 for each reporting location. If you have less than \$1,200 in tax due, your collection allowance will be less than \$30.


Registration and Account Changes

Businesses must register each location to collect, report and pay sales tax. You can register using the online registration system or submit a paper *Florida Business Tax Application* (Form DR-1 .

Effective July 1, 2021, Florida law requires businesses making remote sales into the state to collect and electronically remit sales and use tax, including any applicable discretionary sales surtax, on those transactions if the business has made taxable remote sales in excess of \$100,000 over the previous calendar year. Additionally, effective July 1, 2021, marketplace providers are required to register to collect and electronically remit sales and use tax on taxable sales they facilitate for marketplace sellers for delivery into Florida.

If you hold an active certificate of registration or reemployment tax account issued by the Department because you previously submitted a *Florida Business Tax Application* (Form DR-1), use the *Application for Registered Businesses to Add a New Florida Location* (Form DR-1A ) to register:

- An additional business location or Florida rental property, or
- A registered location that has moved from one Florida county to another.

For more information on submitting an application, see *Registering Your Business* (Form DR-1N .

Once registered, you will be sent a *Certificate of Registration* (Form DR-11), a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13), and tax return forms. If you are registered to pay use tax only, you will not receive a resale certificate. The *Certificate of Registration* must be displayed in a clearly visible place at your business location.


When to Notify the Department

You must **notify the Florida Department of Revenue** if you:

- Change your business name;
- Change your mailing address;
- Change your location address within the same county;
- Close or sell your business; or
- Your business becomes active and you will sell or rent taxable property or services.



The quickest way to notify the Department of these changes is to update your account online.


When to Submit a New Tax Application

You must **submit a new registration** using the online registration system or complete a paper *Florida Business Tax Application* (Form DR-1 ) if you:

- Change your legal entity; or
- Change the ownership of your business.

File and Pay Tax

Sales and use tax is generally reported on the *Sales and Use Tax Return* (Form DR-15 ) Form DR-15, instructions (Form DR-15N ) and other sales and use tax forms and publications are available on the Department's Forms and Publications webpage under Sales and Use Tax.

You may file returns and pay tax electronically using the Department's free and secure File and Pay webpage, or you may purchase software from a vendor . However, some businesses must file and pay electronically; for example, businesses that paid \$5,000 or more in tax during the State of Florida's prior fiscal year (July 1 - June 30) are required by law to file and pay electronically during the next calendar year.

General Due Date

Sales and use tax returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. For example, if you make a sale in January and your returns and payments are due monthly, your return and payment for the January reporting period are due February 1 and late after February 20; however, if your returns and payments are due quarterly, your return and payment for the reporting period January – March are due April 1 and late after April 20. **A return must be filed for each reporting period, even if no tax is due.**

If you electronically pay or electronically file and pay at the same time, you must initiate your electronic payment and receive a confirmation number no later than 5 p.m. ET on the business day prior to the 20th day of the month to avoid penalty and interest for late filing. For a list of the electronic payment deadlines, visit the Department's Forms and Publications webpage and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* (Form DR-659) under the eServices section.

If you electronically file a return without, or separately from, a payment, and the 20th falls on a Saturday, Sunday, or state or federal holiday, your return is timely if you receive a confirmation number for the applicable electronically filed return on or before the first business day following the 20th.

When you electronically file your sales and use tax return and electronically pay timely, you are allowed to deduct a collection allowance. The collection allowance is 2.5% (.025) of the first \$1,200 of tax due, not to exceed \$30.

If you file paper returns and the 20th falls on a Saturday, Sunday, or state or federal holiday, your return and payment are considered timely if postmarked or hand-delivered on the first business day following the 20th.

You can sign up to receive due date reminder emails for every reporting period. These emails are a convenient way to help you file and pay timely. If you file your return or pay tax late, a late filing penalty of 10% 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.

A floating rate of interest applies to underpayments and late payments of tax. Interest rates can be found on the Department's Tax and Interest Rates webpage.

Filing Frequency

Most new businesses are set up to file and pay sales and use tax quarterly. Depending on the amount of tax you collect, you may qualify for a different filing frequency.

Filing Frequency Limits

Annual Sales Tax Collections	Return and Payment Filing Requirement
More than \$1,000	Monthly
\$501 - \$1,000	Quarterly
\$101 - \$500	Semiannual
\$100 or less	Annual

If you qualify and would like to change your filing frequency, call the Department's Taxpayer Assistance at 850-488-6800 Monday-Friday, excluding holidays.

Address/Jurisdiction Database

The Florida Department of Revenue's Address/Jurisdiction Database identifies the county for addresses in Florida. The database has an address look up feature that can be used to find the sales tax and discretionary sales surtax rate as well as other tax rates for Florida addresses.


Florida Annual Resale Certificate for Sales Tax

Businesses that register with the Florida Department of Revenue to collect sales tax are issued a *Florida Annual Resale Certificate for Sales Tax*. The certificate allows business owners, or their representatives, to buy or rent property or services tax free when the property or service is resold or re-rented.


Certificates expire on December 31 of each year. Registered, active dealers are issued a new resale certificate annually. Registered, active dealers who electronically file their tax returns are required to print their own certificate. Dealers who file paper returns will be mailed a new certificate each year in mid-November.

A business that sells or rents property or services tax free must document each tax-exempt sale when the property or service is resold or re-rented by obtaining a copy of the customer's certificate or an authorization number issued by the Department. For more information, visit the Department's Annual Resale Certificate for Sales Tax webpage.

Florida Certificate of Forwarding Agent Address

Forwarding agents engaged in international export who meet the criteria set forth in section 212.06(5)(b), Florida Statutes, may obtain a *Florida Certificate of Forwarding Agent Address* by submitting a completed *Application for a Florida Certificate of Forwarding Agent Address* (Form DR-1FA ) to the Department.

The Department will issue a *Florida Certificate of Forwarding Agent Address* (Form DR-14FAA) to applicants who are

approved. In addition, the Department will update the *List of Approved Forwarding Agents*  to include those who have applied for and received a certificate.

A selling dealer may accept a valid copy of a *Florida Certificate of Forwarding Agent Address* instead of collecting Florida sales tax on tangible personal property shipped by the selling dealer as required by the terms of the sale to the forwarding agent's designated address for export from the United States.

In place of accepting a copy of the certificate, a selling dealer may rely on the list of forwarding agents posted on the Department's website instead of collecting Florida sales tax on tangible personal property shipped by the selling dealer as required by the terms of the sale to the forwarding agent's designated address for export from the United States.

Selling dealers must maintain documentation that the property was shipped or delivered by the dealer directly to the forwarding agent's designated address.