



## Business Owner's Guide for the Major Florida Taxes

This guide includes general information on:

- Communications Services Tax
- Corporate Income Tax
- Lead-Acid Battery Fee
- New Tire Fee
- Prepaid Wireless Fee
- Reemployment Tax
- Rental Car Surcharge
- Sales and Use Tax

### The Florida Business Information Portal

The Florida Business Information Portal at [OpenMyFloridaBusiness.gov](https://www.openmyfloridabusiness.gov) helps individuals seeking to start and operate a business in Florida. The portal focuses on State of Florida government requirements and resources for businesses. If you enter the type of business you want to start, the portal provides a checklist to help you understand governmental requirements for your business category. The downloadable *Guide to Starting a Business in Florida*, available on the portal, provides basic tools to open a business in Florida and supplementary resources to the portal's business-specific checklists.

### Educational Tax Tutorials

The Department of Revenue offers tax education through online tutorials. Visit the Department's Taxpayer Education webpage for additional information at [floridarevenue.com/taxes/education](https://www.floridarevenue.com/taxes/education).

### The New Business Start-up Kit

The information provided in this section of the Department's website will assist newly registered businesses in working with the Florida Department of Revenue. Visit [floridarevenue.com/dor/business](https://www.floridarevenue.com/dor/business) and then select "New Business Start-up Kit."

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## Opening a Florida Business

### Registering a Florida Business

If you plan to engage in a business activity that is subject to sales and use tax, you must register to collect, report, and remit or pay Florida sales and use tax **before you begin conducting business in Florida**.

Taxable business activity includes, but is not limited to:

- selling, leasing, licensing, or renting tangible personal property (i.e., electronics, furniture, motor vehicles, certain food and meals, and other goods)
- leasing, licensing, or renting real property
- leasing, licensing, or renting living, sleeping, or housekeeping accommodations
- selling detective or burglar protection service, nonresidential cleaning service, or nonresidential pest control service
- selling admissions to any place of amusement, sport, or recreation
- operating amusement machines

You can register to collect, report, and remit or pay sales tax and discretionary sales surtax online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration). You can register:

- through the Department's website at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration), which guides you through an application interview that will help you determine your tax obligations, **or**
- by completing the paper registration application *Florida Business Tax Application (Form DR-1)* available at [floridarevenue.com/forms](http://floridarevenue.com/forms)

You must register each of your Florida business locations except for communications services tax. When you register, you have the option to enroll with the Department to:

- pay tax electronically, or
- file returns and pay tax electronically.

You may also enroll after you have registered.

Taxpayers who enroll to file or pay electronically can take advantage of these additional features enrollment provides:

- an encrypted system that securely saves your contact and bank account information;
- the ability to view your filing history and bills posted to your tax account;
- the ability to amend previously filed returns; and
- the ability to reprint your returns.

For more information, see *Filing and Paying Taxes Electronically (GT-800001)* at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the eServices section.

You can file and pay tax electronically using the Department's secure file and pay webpage at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay). You also have the option of buying software from a software vendor. A list of vendors is available at [floridarevenue.com/taxes/eservices](http://floridarevenue.com/taxes/eservices).

After you register for sales and use tax with the Department, you will receive by mail:

- A *Certificate of Registration* (Form DR-11)
- A *Florida Annual Resale Certificate for Sales Tax* (Form DR-13)
- An initial supply of tax returns (sales and use tax Form [DR-15](#) or [DR-15EZ](#)) unless you are filing electronically
- *Discretionary Sales Surtax Information* ([Form DR-15DSS](#))
- A brochure, *New Dealer Guide to Working with the Florida Department of Revenue* ([GT-800054](#))

## Business Opening Date

The date of your business's first Florida taxable activity included on your registration determines when your first reporting period begins. If your first Florida taxable activity does not begin by the date indicated on your application, notify the Department by calling Taxpayer Services at 850-488-6800, or file a return reporting no sales tax due. Otherwise, you will receive a delinquency notice.

## Dealer Responsibilities

As a registered sales tax dealer, you act as an agent of the State of Florida and must:

- Collect state sales tax, plus any applicable local discretionary sales surtax, on each taxable transaction
- Pay use tax on items or services purchased exempt from tax for resale, but used in the business instead
- Pay use tax on taxable items from an out-of-state business when Florida sales tax was not paid at the time of purchase
- Remit the tax and surtax collected and pay the use tax owed to the Department by filing online or sending a paper *Sales and Use Tax Return* with a check or money order
- Keep complete and accurate records for all of your tax returns, including proof of payment, and documentation of sales and purchases for at least three years

## Sales tax and surtax collected by your business become state funds at the time of collection.

You serve as a custodian of these funds until you remit them to the Florida Department of Revenue. Please keep accurate records and maintain a separate accounting of these state funds.

## Displaying Your Certificate of Registration

The *Certificate of Registration* (Form DR-11) has your:

- Business name and location
- Certificate number (on front)
- Business partner number (on back)

Your *Certificate of Registration* authorizes you to conduct business at the address shown and must be displayed in a visible place at your business location. (Flea market vendors and other dealers with temporary locations must have their certificate in their possession at the temporary location.)

## Florida Annual Resale Certificate for Sales Tax

Your *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) is used for tax-exempt purchases or rentals of property or services you intend to resell or re-rent as part of your business. Your *Florida Annual Resale Certificate for Sales Tax* is not for buying office equipment, computers, or other supplies that will be used by your business operation. If goods bought for resale are later used by your business (not resold), you must report and pay use tax, plus any applicable discretionary sales surtax, on those items. For more information, review the **Annual Resale Certificates** section on page 10.

## Sales and Use Tax Returns and Coupon Books

A sales and use tax return and instructions will be mailed to you for your first reporting period unless you choose to file returns electronically. A sales and use tax coupon book will also be mailed to you to use for the remainder of the calendar year. **It is your responsibility to file a return and remit tax to the Department even if you do not receive returns.** If you do not receive your tax returns before

your first due date, you may download a form from the Department's website at [floridarevenue.com/forms](http://floridarevenue.com/forms) under the Sales and Use Tax section.

When you receive your coupon book, check your business name, address, certificate number, reporting periods, and other personalized information. If any information is incorrect, call Taxpayer Services at 850-488-6800.

## State Sales Tax and Discretionary Sales Surtax Rates

### State Sales Tax Rates

Florida's general state sales tax rate of 6% applies to most taxable transactions. However, other state rates may apply, such as:

- 3% on new mobile homes
- 4% on amusement machine receipts
- 4.5% on leases and licenses of commercial real property
- 6.95% on electricity

### Discretionary Sales Surtax Rates

Most Florida counties impose a discretionary sales surtax or local option sales tax, which applies to sales subject to state sales tax. Discretionary sales surtax rates vary by county. New discretionary sales surtax rates become effective on January 1 and terminate on December 31 of the year the tax ends. Discretionary sales surtax rates are published in the *Discretionary Sales Surtax Information (Form DR-15DSS)* each year and are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms) under the Discretionary Sales Surtax and Tourist Development Tax Rates section.

### Tax Calculation

Florida's general sales tax rate is 6%. As previously mentioned, most counties have a discretionary sales surtax. To compute the total tax rate, add the state rate to the applicable discretionary sales surtax rate.

$$\text{Florida General Sales Tax Rate} + \text{Sales Surtax Rate} = \text{Total Tax Rate}$$

Dealers must calculate the total tax due by multiplying the taxable sale amount by the total tax rate to determine the amount of tax to be collected.

$$\text{Taxable Sale Amount} \times \text{Total Tax Rate} = \text{Tax Due on Sale}$$

The tax computation must be carried to the third decimal place and rounded up to the next whole cent when the third decimal place is greater than 4.

Dealers must calculate the total tax due on each sale. The tax must be shown separately on each invoice and may be calculated on either the combined taxable amount or the individual taxable amounts on an invoice.

**Example:** A customer purchases one taxable item and takes delivery in a county that does not impose a discretionary sales surtax. The dealer's taxable selling price for the item is \$50.45. To calculate the tax due, multiply the taxable selling price by the tax rate of 6% and carry to the third decimal place.

$$\text{\$50.45} \times \text{6\% (or 0.06)} = \text{\$3.027}$$

Since the third decimal place is greater than 4, the tax due must be rounded up to the next whole cent. The total tax due on the sale is \$3.03.

### Commercial Rental Tax Rate

Florida state sales tax at the rate of 4.5%, plus any applicable discretionary sales surtax, is due on the total rent charged for renting, leasing, or granting a license to use commercial real property in Florida, unless the rental is specifically exempt. Some examples of taxable commercial real property rentals include commercial office or retail space, warehouses, convention and meeting rooms, self-storage units, or mini-warehouses, and the placement of amusement machines or vending machines on other people's property.

## Transient Rental Tax Rates

Individual Florida counties may impose a local option tax on transient rental accommodations, such as a tourist development tax, convention development tax, tourist impact tax, or municipal resort tax. These taxes are often called **local option transient rental taxes** and are in addition to the 6% state sales tax and any applicable discretionary sales surtax. In many counties, the local option transient rental taxes are reported and remitted directly to the county; however, sales tax and discretionary sales surtax on transient rentals are always reported and remitted to the Department.

Visit [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates) for *Local Option Transient Rental Tax Rates* ([Form DR-15TDT](#)) and discretionary sales surtax rates ([Form DR-15DSS](#)) for all Florida counties, whether the tax is remitted to the Department or paid directly to the imposing county.

## Rates for Vending Machine and Amusement Machine Receipts

Sales tax and discretionary sales surtax apply to food, beverages, tobacco, and other items sold through vending machines and charges for the use of coin-operated amusement machines. The tax due is calculated using the required divisor as shown below. See the chart on Page 7 of this guide for vending and amusement machine tax rate divisors.

### Vending Machines Tax Calculation without Exempt Items:

- 1) Compute gross sales and the taxable amount: Divide the total receipts from sales made through the vending machines (\$100 for this example) by the tax rate divisor for the county where the machines are located. (Example:  $\$100 \div 1.0686 =$  gross sales or the taxable amount of \$93.58)
- 2) Compute the amount of sales tax and surtax due: Subtract gross sales or the taxable amount (\$93.58) from the total receipts (\$100). (Example:  $\$100 - \$93.58 = \$6.42$ )

### Vending Machines Tax Calculation with Exempt items:

If the total receipts include exempt items, such as bottled water, you must calculate the taxable amount first in order to calculate the gross sales.

- 1) Compute the taxable amount: Subtract the exempt sales amount from the total receipts amount and divide the result by the tax rate divisor for the county where the machines are located to compute the taxable amount. (Example:  $\$100 - \$5$  exempt sales =  $\$95 \div 1.0686 =$  \$88.90 taxable amount)
- 2) Compute the amount of sales tax and surtax due: Subtract the taxable amount from the total receipts amount less the exempt sales amount used in step 1 to determine the total tax due. Enter this amount on column 4 of line E. (Example:  $\$100 - \$5 = \$95 - \$88.90 = \$6.10$  tax due)
- 3) Compute gross sales: Add the taxable amount to the exempt sales amount to calculate the gross sales amount. (Example:  $\$88.90 + \$5 = \$93.90$  gross sales)

### Amusement Machines:

Every location where amusement machines are in operation must display a certificate authorizing the operation of a specified number of machines. The amusement machine operator is required to purchase and display the annual *Amusement Machine Certificate* (Form DR-18C). To obtain the required annual certificates, submit an *Application for Amusement Machine Certificate* ([Form DR-18](#)). The annual cost of the certificate is \$30 per machine at each location.

The certificates for amusement machines expire on **June 30** each year. **You must renew your certificates for amusement machines before that date.** A renewal notice containing information on your *Amusement Machine Certificates* will be mailed to you 30 to 60 days before the certificate's expiration date.

Use the total receipts from the amusement machine that you operate and the tax rate divisor for the county where the machine is located to compute the amount of gross sales and tax due.

**Example:** The total receipts from an amusement machine(s) in a county with a combined sales and surtax rate of 6.5% total \$100.00. Total receipts divided by the amusement machine divisor for the 6.5% rate equals gross sales. Total receipts minus gross sales equals tax due, including discretionary sales surtax due. Gross sales multiplied by the surtax rate equals discretionary sales surtax due.

$$\begin{aligned} & \$100 \div 1.045 = \$95.69 \text{ (gross sales)} \\ & \$100 - \$95.69 = \$4.31 \text{ (tax due, including surtax due)} \\ & \$95.69 \times .005 = \$0.48 \text{ (surtax portion to be reported on Line 15[d])} \end{aligned}$$



| Sales and Surtax Rate | Amusement Divisor | Food and Beverage Divisor | Other Vended Items Divisor |
|-----------------------|-------------------|---------------------------|----------------------------|
| 6.0%                  | 1.040             | 1.0645                    | 1.0659                     |
| 6.5%                  | 1.045             | 1.0686                    | 1.0707                     |
| 7.0%                  | 1.050             | 1.0726                    | 1.0749                     |
| 7.5%                  | 1.055             | 1.0767                    | 1.0791                     |
| 8.0%                  | 1.060             | 1.0808                    | 1.0833                     |
| 8.5%                  | 1.065             | 1.0849                    | 1.0875                     |

### Rates for Specific Industries

Effective tax rates and rate divisors have been established for sales of alcoholic beverages and sales of food and other items made at concession stands because the nature of these businesses makes it impractical to separately state Florida tax on sales slips, invoices, or other evidence of the sale.

The effective tax rates and rate divisors established for these specific industries are available in sales and use tax brochures for these industries. Visit [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education), select “Other Resources,” and then select “Industry Specific Brochures.” The rates and divisors are also available in the *Instructions for DR-15 Sales and Use Tax Returns* ([Form DR-15N](#)).

### Discretionary Sales Surtax

Generally, you must collect discretionary sales surtax when a transaction occurs in, or delivery is into, a county that imposes surtax. For a list of discretionary sales surtax rates, review *Discretionary Sales Surtax Information* ([Form DR-15DSS](#)). For sales of tangible personal property, review the following tables.

#### When and At What Rate to Collect Discretionary Sales Surtax (Local Option County Tax) on Taxable Sales

|   |  |                    |   |   |
|---|--|--------------------|---|---|
| If a selling dealer located in any Florida county | with a discretionary surtax            | sells and delivers | into the county where the selling dealer is located,            | surtax <b>is</b> collected at the county rate where the <b>delivery is made</b> . |
|   | with or without a discretionary surtax |                    | into counties <b>with different</b> discretionary surtax rates, | surtax <b>is</b> collected at the county rate where the <b>delivery is made</b> . |
|   | with or without a discretionary surtax |                    | into counties <b>without</b> a discretionary surtax,            | surtax <b>is not</b> collected.   |
| If an <b>out-of-state</b> selling dealer          |  | sells and delivers | into a Florida county <b>with</b> a discretionary surtax,       | surtax <b>is</b> collected at the county rate where the <b>delivery is made</b> . |
|   |  |                    | into a Florida county <b>without</b> a discretionary surtax,    | surtax <b>is not</b> collected.   |

### Surtax Limitation

Discretionary sales surtax does not apply to the sales amount above \$5,000 on a **single sale** of a **single item** of tangible personal property. Under very specific circumstances, multiple items sold in a single sale can be considered a single item for purposes of applying the surtax limitation if the items fall into one of two categories. They must be items that are normally sold in bulk, or they must be items that will be assembled into a working unit or a part of one.

| Sales, leases, or rentals of:              | Collect surtax at the county rate where the:  |
|--|---|
| Admissions                                 | event is held for which a taxable admission is charged.   |
| Aircraft and boats                         | aircraft or boat is delivered, or the use of the aircraft or boat occurs.                                     |
| Commercial real property                   | commercial real property is located.  |
| Electricity or natural or manufactured gas | consumer of the electricity or gas is located.  |
| Florists                                   | florist taking the order is located.  |
| Motor vehicles and mobile homes            | owner’s residence address listed in the registration or title of the motor vehicle or mobile home is located. |

|  |  |
|--|--|
| Parking or storage for motor vehicles, boats, and aircraft | motor vehicle parking lot or garage, boat dock or marina, or aircraft hangar or tie-down space is located. |
| Services (taxable)   | taxable service is provided.   |
| Service warranties   | item of tangible personal property indemnified by the service warranty is delivered or located.            |
| Transient rental accommodations                            | transient rental accommodation is located.   |

When a written purchase order lists a definite quantity of tangible personal property ordered and specifies the delivery date, the sale qualifies as a single sale. The tangible personal property purchased must be items that are normally sold in bulk or items that comprise a working unit when assembled to be combined. Items may be delivered and invoiced in installments and still qualify as a single sale provided the deliveries are made within the time specified in the purchase order or written agreement.

**Example:** A business that sells furniture advertises, sells, and invoices a \$7,000 dining room set delivered to a county imposing a 1% discretionary sales surtax.

$\$7,000 \times 6\% = \$420$  (state sales tax)

$\$5,000 \times 1\% = \$50$  (county surtax)

**Total Tax Due = \$470**

The \$5,000 limitation does **not** apply to the following, and surtax is due on the entire sales price for sales or charges for:

- Admissions
- Taxable services
- Service warranties
- Prepaid calling arrangements
- Rentals, leases, and licenses to use real property (commercial rental property) or living, sleeping, or housekeeping accommodations (transient rentals)
- Parking or storing motor vehicles in parking lots or garages
- Docking or storage in boat docks and marinas
- Tie-down or storage space for aircraft

### Reporting Surtax on Your Tax Return

**It is important to accurately collect and report surtax on your sales and use tax returns.** The Department distributes the discretionary sales surtax to the Florida counties where the surtax is imposed to fund locally authorized projects.

To report surtax information on your sales and use tax return, you will need to know the:

- Total amount of surtax due
- Total amount of all sales and purchases for single items sold or purchased with a sales price of more than \$5,000
- Total amount of sales or purchases subject to surtax at a rate different than your county surtax rate
- Total amount of sales and purchases not subject to surtax

### Use Tax

Use tax *generally* applies to items or services you purchase for your use or consumption in Florida when sales tax was not paid. For example, you may owe use tax when:

- You buy a taxable item in Florida and do not pay sales tax;
- You buy an item tax exempt intending to resell it, and then use the item in your business or for personal use; or
- You buy a taxable item outside of Florida and bring it into (or have it delivered into) Florida, and do not pay sales tax or do not pay sales tax equal to Florida sales tax.

Registered sales and use tax dealers must pay use tax at the rate of 6%, plus surtax at the rate where the item is used or consumed. It is important to note that many businesses have a **use tax liability**. One of the most frequent assessments made in audits involves unreported use tax.



## Reporting and Paying Use Tax

Florida use tax is reported on your *Sales and Use Tax Return* (Form DR-15). If you purchased items from outside Florida and paid sales tax to another state at a rate less than 6%, report the total amount of Florida use tax and surtax due, and claim a “Lawful Deduction” on the return for the tax paid to the other state. Be sure to include the amount of surtax due in the total amount of discretionary sales surtax reported on the return.

If accruing and paying sales tax and surtax on the rental, lease, or license to use commercial rental property, the sales tax and surtax are reported on Line C (Commercial Rentals).

**Example:** A registered dealer is in a county imposing a 1% discretionary sales surtax (6% state tax + 1% surtax = 7%). The dealer purchased business equipment for \$5,000 in New York and paid 4% sales tax (\$200).

$\$5,000 \times 7\% = \$350$  — (Florida tax and surtax amount)  
- \$200 — (New York state tax paid)  
= \$150 — (Additional tax and surtax due)  
 $\$5,000 \times 1\% = \$50$  (Surtax)

On Line B (Taxable Purchases) of the *Sales and Use Tax Return* (Form DR-15), the dealer reports taxable purchases of \$5,000 and tax due of \$350.

On Line 6 (Less Lawful Deductions), a deduction of \$200 is reported.

On Line 15(d) (Total Amount of Discretionary Sales Surtax Due), \$50 is reported.

The dealer will owe \$150 to the Department for this purchase when the tax return is filed and tax is paid.

## Exemptions

You are required to charge sales tax unless the sale is specifically exempt. Information regarding the various exemptions from sales tax is available on the Department’s website.

In addition, the Florida Tax Handbook is an excellent source for comprehensive information about exclusions, exemptions, deductions and credits from sales and use tax. Visit [edr.state.fl.us](http://edr.state.fl.us) and search for “Tax Handbook.”

Examples of items that are specifically exempt from sales and use tax include medicines and most groceries. Food items are generally exempt from sales tax when sold in grocery stores to be taken home and prepared. Some examples of exempt grocery items are milk, butter, cereal, frozen goods, and canned goods. Examples of taxable items include soap, paper goods, cleaning products, and candy. Visit [floridarevenue.com/forms](http://floridarevenue.com/forms) for a list of common nontaxable medical and grocery items; select *Nontaxable Medical Items and General Grocery List* ([Form DR-46NT](#)) under the Sales and Use Tax section.

## Florida Tax Incentives for Businesses

Florida offers tax credits, refunds, and other incentives to promote business development and job creation within the state. To learn more about specific tax incentives, visit [floridarevenue.com/taxes/incentives](http://floridarevenue.com/taxes/incentives).

## Nonprofit Organizations and Governmental Entities

Certain entities are granted specific exemptions from sales tax. Such entities include, but are not limited to:

- Nonprofit organizations meeting the criteria in section (s.) 212.08(7), Florida Statutes (F.S.)
- State-chartered financial institutions described in s. 213.12(2), F.S.
- Governmental entities, including state agencies, counties, municipalities, and political subdivisions (e.g., school districts or municipal libraries)

To be eligible for the exemption, Florida law requires nonprofit organizations, state-chartered financial institutions, and governmental entities to obtain a sales tax exemption certificate from the Department. To obtain the required exemption certificate, submit a completed *Application for a Consumer’s Certificate of Exemption* ([Form DR-5](#)) to the Department.

The application instructions provide details on the exemption criteria and the information to be provided to the Department for each type of nonprofit organization or governmental entity qualified to obtain a Florida *Consumer's Certificate of Exemption* (Form DR-14). Nonprofit organizations, state-chartered financial institutions, and governmental entities holding a Florida *Consumer's Certificate of Exemption* may present a copy of the certificate to a selling dealer to purchase or rent items or services tax exempt as authorized by Florida law.

**Payment for the purchase must be made with the organization's funds.** When payment is made with the personal funds of an authorized representative, the purchase is subject to tax, even if the representative is subsequently reimbursed with the organization's funds.

The U.S. government, or any of its federal agencies, is not required to obtain a Florida *Consumer's Certificate of Exemption*; however, many federal agencies do obtain the certificate to present to Florida retail dealers to document their tax-exempt status. If you sell to a federal agency that does not have a certificate, be sure to maintain documentation to establish that the sale was sold directly to, and paid directly by, the federal agency.

## Annual Resale Certificates

If you registered your business to collect, report, and remit sales tax, a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) was mailed to your business. Certificates expire December 31 of each year. If you registered your business to only report Florida use tax (the business will not be selling taxable items), a resale certificate will not be issued. Sales tax dealers who electronically file tax returns are required to download and print their own certificate.

If you continue to conduct business in Florida and are registered to collect sales tax, you will be issued a new *Florida Annual Resale Certificate for Sales Tax* each year. In mid-November, annual resale certificates for the next calendar year are available online (login is required). Once you are logged in to your tax account, you may download, save, and print your certificate. All registered and active sales tax dealers may access their certificate online by visiting [floridarevenue.com/taxes/printcertificate](http://floridarevenue.com/taxes/printcertificate).

### Using Your Annual Resale Certificate

Your *Florida Annual Resale Certificate for Sales Tax* allows you to make tax-exempt purchases or rentals for resale. **Your certificate may be used only to purchase items or services that will be resold or re-rented in your regular business operations.** If you purchase items or services to be used or consumed in your business, you must pay sales tax at the time of purchase, or accrue and pay use tax on your sales and use tax return filed with the Department.

To make tax-exempt purchases of items or services you will resell, provide a copy (paper or electronic) of your annual resale certificate or your certificate number to the seller.

### Accepting an Annual Resale Certificate

Other sales tax dealers may buy items or services from you tax exempt for resale by providing you with a copy of their current *Florida Annual Resale Certificate for Sales Tax* (Form DR-13).

### Methods for Documenting Sales for Resale

**As a seller,** you must document each tax-exempt sale for resale using one of the following methods. You may select a different method to document each sale for resale.

**Method 1** – Obtain a copy of your customer's current *Florida Annual Resale Certificate for Sales Tax*. You can accept paper or electronic copies. Maintain copies of the certificates (paper or electronic) for three years.

**Method 2** – For each sale, obtain a transaction authorization number from the Department's Seller Certificate Verification system at [floridarevenue.com/taxes/certificates](http://floridarevenue.com/taxes/certificates). Keep a record of all verification response reports to document your tax-exempt sales.

**Method 3** – Each calendar year, obtain an annual vendor authorization number for your regular customers using the Department's Seller Certificate Verification system at

**floridarevenue.com/taxes/certificates**. You can upload a batch file containing your customers' certificate numbers and retrieve the results 24 hours after submission.

You do **not** need to maintain a copy of your customer's annual resale certificate when you maintain transaction authorization or vendor authorization numbers for tax-exempt sales for resale.

## File and Pay Sales and Use Tax and Discretionary Sales Surtax

Sales and use tax and discretionary sales surtax are reported using the *Sales and Use Tax Return* form DR-15 or DR-15EZ. The Department offers a secure website for taxpayers to file and pay sales tax at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay). You also have the option of buying software from a software vendor. A list of software vendors is available at [floridarevenue.com/taxes/eservices](http://floridarevenue.com/taxes/eservices).

Any taxpayer can voluntarily enroll to enjoy the benefits of electronic filing; however, **Florida law requires businesses that paid \$5,000 or more in tax during the State of Florida's prior fiscal year (July 1 – June 30) to file returns and pay taxes electronically during the next calendar year.**

If you enroll to file or pay electronically, you can take advantage of additional features, including the ability to securely save your contact and bank account information, view your filing history and bills posted to your tax account, and reprint your returns. If you did not enroll in eServices when you registered your business, you may enroll at any time. Visit [floridarevenue.com/taxes/enrollment](http://floridarevenue.com/taxes/enrollment) to enroll.

### Filing Frequency

Your filing frequency is based on the amount of sales and use tax you pay. Most new businesses are set up on a quarterly filing frequency unless another frequency is requested.

When a sales and use tax dealer cannot reasonably compile the information required for an accurate return on a calendar month basis, the dealer may request to file returns and pay tax on an alternative-period basis. For more information, review Rule 12A-1.056, Florida Administrative Code (F.A.C.), available at [flrules.org](http://flrules.org).

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

The Department reviews each sales and use tax account annually to determine the correct filing frequency for the next calendar year. Businesses whose filing frequency will be changed to monthly beginning the following calendar year are mailed a letter notifying the business of the upcoming filing frequency change. If you would like to change your filing frequency, call Taxpayer Services at 850-488-6800 to see if you qualify.

### Tax Return and Payment Due Dates

Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns are timely if filed electronically (without payment), postmarked, or delivered in person on the first business day following the 20th. For example, if the sale took place during January and you file monthly returns, your January tax return is due February 1 and late after February 20. If you file quarterly returns, your first quarterly return for the January through March applied period is due April 1 and late after April 20.

### Electronic Payment Deadlines

**When 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. Keep a record of your

confirmation numbers. For a list of electronic payment deadlines, visit [floridarevenue.com/forms](http://floridarevenue.com/forms) and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* ([Form DR-659](#)) under the eServices section.

### **Paying Tax**

Tax must be paid in U.S. funds only. If you are not paying electronically, mail or deliver in person a check or money order payable to the Florida Department of Revenue. Write your complete sales and use tax certificate number on the check or money order.

**Do not send cash in the mail or pay with cash at a local service center.**

### **Collection Allowance for Sales and Use Tax**

When you electronically file your sales and use tax return and electronically pay timely, you are entitled to take a collection allowance. The collection allowance is 2.5% (0.025) of the first \$1,200 of tax due, not to exceed \$30.

If you are entitled to a collection allowance, you may donate the collection allowance to the Educational Enhancement Trust Fund. This fund is used to purchase up-to-date technology for classrooms in local school districts in Florida. If you are eligible and choose to donate your collection allowance to education, check the box "Check here if donating collection allowance to education" on your electronic return and leave the line for reporting the collection allowance blank.

Your collection allowance amount will be transferred to the Educational Enhancement Trust Fund. You must make this choice on each original and timely filed electronic return. You cannot make this choice after your electronic return is filed.

### **When No Tax is Due**

You must file a tax return for each reporting period, even when you do not have sales or rental activity to report. If you file electronic returns, you will need to electronically file a tax return to report that you do not owe tax for the reporting period. If you file paper tax returns and are not claiming deductions or credits, you can call 800-550-6713 and follow the voice prompts to telefile your return to report that you do not owe tax for the reporting period.

When you telefile your return, you will need the certificate number printed on your return, gross sales, exempt sales, taxable sales, and tax collected (which should be zero). You will receive a confirmation number for your records.

### **Penalty and Interest**

If you file your return or pay tax late, a late 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 also applies to late payments and underpayments of tax. Interest rate information is updated semiannually on January 1 and July 1 and available at [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates).

### **Using the Correct Sales and Use Tax Return**

If you are not required to file and pay electronically or have not voluntarily enrolled to file and pay electronically, the Department will provide you with personalized tax returns.

Businesses that file monthly or quarterly tax returns are provided personalized returns in a coupon book. **Before completing your return, be sure you are using the correct tax return for the reporting period.** The information on each return allows the Department to credit your tax account for the reporting period printed on the return.

Your coupon book contains returns marked "Your Copy" for your records. If you misplace or damage the original return for a reporting period, you can use the "Your Copy" return for that reporting period to file with the Department.

If you need a replacement return or coupon book, call Taxpayer Services at 850-488-6800 for a personalized return or coupon book to be mailed to you. To assist the Department in correctly posting your return information and tax payment, it is important that you use a return personalized for you for the correct reporting period.

## Estimated Sales Tax Payments

Dealers who paid sales and use tax of \$200,000 or more (excluding local option surtax and transient rental taxes) during the State of Florida's prior fiscal year (July 1 - June 30) must make estimated sales tax payments during the next calendar year. The estimated payments begin with your December return due January 1 of the next calendar year.

Visit [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education) for more information and to view the tax tutorial *How to Calculate and Pay Estimated Sales and Use Tax*.

## 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.
- If you file a paper return, you can sign up to receive a **due date reminder email every reporting period**. Electronic filers are automatically signed up to receive reminders when enrolled.
- 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 correct lines.**
- **Compute the correct sales tax, including discretionary sales surtax** (county tax), if any.
- **Complete all information** on your return, including the front and back of your paper return.
- **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 surtax portion of the return (Lines 15a – 15d).
- **Do not 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% (0.025) 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.
- If you **make tax payments electronically**, you must initiate your electronic payments **and receive a confirmation number no later than 5 p.m. ET on the business day before the 20th**. Keep the confirmation number in your records.

## How Long to Keep Records

Records supporting all transactions in the reporting period must be kept for at least three years from the date the return was filed or was required to be filed, whichever is later. If you fail to file a return, file a substantially incorrect return, or substantially underpay the tax due, the Department may audit your records for periods longer than three years.

All records and documents must be made available to the Department upon request. If you fail to produce records or submit a grossly incorrect or fraudulent report, you could be subject to criminal or civil penalties.

Maintain documentation to support exempt sales and rentals as a part of your business records.

Examples of documentation required to be obtained from purchasers for exempt sales or rentals include:

- Copies of *Florida Annual Resale Certificates for Sales Tax* (Form DR-13)
- Copies of *Florida Consumer's Certificates of Exemption* (Form DR-14)
- Signed statements or exemption certificates to support certain exemptions
- Documents that support shipment of merchandise to out-of-state locations

## Types of Records

Complete and accurate records of all sales and purchases must be kept. Examples of records to keep are:

- Sales and purchase invoices, receipts, statements, register tapes, and other evidence of sales and purchases
- Sales tax exemption certificates and direct pay permits
- *Florida Annual Resale Certificates for Sales Tax* accepted from other dealers



- Resale verification and authorization numbers
- Purchase and sales journals, cash receipt and disbursement journals, other journals, and general ledgers
- Copies of sales and use tax returns and payments, including electronic payment and return filing confirmation numbers

## New Tire Fee, Lead-Acid Battery Fee, and Rental Car Surcharge

The new tire fee is required to be separately stated and included in the sales amount subject to sales tax. The lead-acid battery fee is not required to be separately stated. If the lead-acid battery fee is separately stated, it must be included in the total sales amount subject to sales tax. For more information, see *Solid Waste Fees and Surcharges* ([GT-800037](#)) at [floridarevenue.com/forms](http://floridarevenue.com/forms) in the Solid Waste and Surcharge section.

**Rental Car Surcharge:** A rental car surcharge is imposed on the lease or rental of a for-hire passenger motor vehicle through a motor vehicle rental company or car-sharing service or the use of a shared vehicle through a peer-to-peer car-sharing program. The surcharge applies to motor vehicles designed to accommodate fewer than nine passengers, and does not apply to the lease, rental, or use of motorcycles, mopeds, trucks, trailers, recreational vehicles, or van conversions. The lease or rental is exempt from the surcharge when the lessee issues a sales tax exemption certificate to lease, rent, or use the motor vehicle exempt from sales tax.

A surcharge of \$2 per day or any part of a day is imposed upon the lease or rental of a for-hire passenger motor vehicle by a motor vehicle rental company. The surcharge applies to the first 30 days the for-hire passenger motor vehicle is continuously leased or rented in Florida to one person, even when the vehicle is licensed outside of Florida.

A surcharge of \$1 per day or any part of a day is imposed upon each peer-to-peer car-sharing program agreement involving a shared vehicle. The surcharge applies to the first 30 days, or to a portion of a day, of the peer-to-peer car-sharing program agreement. If the car-sharing period is less than 24 hours, the rental car surcharge is \$1 per use.

A surcharge of \$1 per usage is imposed when the for-hire passenger motor vehicle is used for less than 24 hours by a member of the car-sharing service. If the same motor vehicle is used for 24 hours or more, the surcharge is \$2 per day or any part of a day the motor vehicle is used. The rental car surcharge must be collected by the motor vehicle rental company, the peer-to-peer car-sharing program, or the car-sharing service.

Dealers must report the rental car surcharge by the county where the surcharge is “attributed.” This is defined as the county where the lessee picks up the for-hire passenger motor vehicle for lease or rental, or the county corresponding to the location of the shared vehicle at the car-sharing start time.

### Registration for New Tire Fee, Lead-Acid Battery Fee, and Rental Car Surcharge

Retail sellers of new tires or new or remanufactured lead-acid batteries are required to register to report and pay the new tire fees and lead-acid battery fees. Each business location is required to be registered.

Motor vehicle rental companies are required to register each place of business in Florida and report the rental car surcharge due for that location. Car-sharing services and peer-to-peer car-sharing programs are required to register for each county in which business is conducted. Register online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration) or submit a paper *Florida Business Tax Application* ([Form DR-1](#)).

### How to Report and Pay Fees and Surcharge

The new tire fee, the lead-acid battery fee, and the rental car surcharge are reported on the *Solid Waste and Surcharge Return* (Form DR-15SW). The new tire fee and lead-acid battery fee are reported for each business location where new tires or lead-acid batteries are sold. The rental car surcharge is reported based on where the lessee picks up the for-hire passenger motor vehicle for lease or rental, or the county corresponding to the location of the shared vehicle at the car-sharing start time. More information on these fees and surcharge is available at [floridarevenue.com/taxes](http://floridarevenue.com/taxes).



## Communications Services Tax

In Florida, communications services tax (CST) applies to sales of communications services unless a specific exemption applies.

Examples of communications services subject to tax include, but are not limited to:

- Local, long distance, and toll telephone services (including those provided by hotels and motels to their guests)
- Voice-over-Internet Protocol (VoIP) telephone services
- Mobile communications services (e.g., cellular telephone service)
- Cable television service
- Direct-to-home satellite television service
- Video streaming services
- Music services, including streaming services
- Facsimile (fax) service, except when provided in the course of providing professional or advertising services

The following are not taxed as communications services: information services (e.g., electronic publishing, web hosting, or end user 900-number service); internet access, electronic mail, electronic bulletin board, or similar online computer services; and the sale or recharge of prepaid calling arrangements.

### Registration for Communications Services Tax

If you plan on engaging in the business of selling communications services, you must register to collect, report, and remit tax. You are required to register before engaging in business.

You can register online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration) or submit a paper *Florida Business Tax Application (Form DR-1)*.

Upon initial registration, dealers will be sent a *Florida Annual Resale Certificate for Communications Services Tax* (Form DR-700015) and a *Certificate of Registration* (Form DR-700014). This annual resale certificate is separate from the one issued for sales tax. The resale certificate may only be used to make tax-exempt purchases of communications services that will be resold. Certificates expire each year on December 31. Registered active dealers are issued a new resale certificate annually.

Registered dealers who electronically file their tax returns are required to print their own resale certificate. Dealers who file paper returns will be mailed a new certificate each year in mid-November. All registered active dealers, regardless of filing method, may access their certificate at [floridarevenue.com/taxes/printcertificate](http://floridarevenue.com/taxes/printcertificate). Once logged in, the annual resale certificate may be downloaded and printed or saved.

### Communications Services Tax Rates

Communications services tax has two parts:

- Florida communications services tax, and
- Local communications services tax.

Florida communications services tax includes state tax and gross receipts tax. The total Florida communications services tax rate is 7.44%, which includes the state tax rate and gross receipts tax rate as shown in the following table:

| State Tax Rate   |  |
|------------------|--|
| 4.92%            | State CST rate   |
| +0.15%           | Gross receipts additional tax rate                           |
| <b>5.07%</b>     | <b>These rates may be combined and billed as "state tax"</b> |
| Florida CST Rate |  |
| 5.07%            | "State tax" rate   |
| +2.37%           | Gross receipts tax rate                                      |
| <b>7.44%</b>     | <b>State tax + the gross receipts tax = Florida CST Rate</b> |

Each local taxing jurisdiction (charter municipality, charter county, or non-charter county) can impose a specific local tax rate. Visit [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates) for a list of local rates or tax rates for a specific address.

| <b>Total CST Rate</b> |  |
|-----------------------|--|
| 4.92%                 | State CST rate                           |
| +0.15%                | Gross receipts additional tax rate       |
| +2.37%                | Gross receipts tax rate                  |
| +Various              | Local CST rates (varies by jurisdiction) |
| <b>Total</b>          | <b>Total CST rate</b>                    |

Dealers must add the Florida communications services tax and the local communications services tax to the sales price of the communications services sold. The Florida communications services tax and the local communications services tax must be separately itemized on the customer billing.

### Exemptions from Communications Services Tax

The following transactions are exempt from communications services tax:

- Sales of communications services provided to the federal government, its agencies or instrumentalities, or any entity exempt from state tax by federal law
- Sales of communications services to the state, or any county, municipality, or political subdivision of the state when payment is made directly to the dealer by the governmental entity
- Sales of communications services to religious institutions, educational institutions, and homes for the aged as defined in section 202.125, F.S.
- Sales for resale that comply with the provision of Rule 12A-19.060, F.A.C. (available at [flrules.org](http://flrules.org))
- A *partial* exemption is granted for sales of communications services to a residential household (see below). Sales that qualify for the partial exemption are exempt from the 4.92% state tax and the 0.15% gross receipts tax. The sales remain subject to the 2.37% gross receipts tax and local communications services tax. The partial exemption does not apply to sales to any residence that constitutes all or part of a transient public lodging establishment or sales of video services (e.g., cable television services, video streaming services, music services), direct-to-home satellite services, or mobile communications services.

| <b>Total CST Rate for Residential Households</b> |  |
|--|--|
| +2.37%   | Gross receipts tax rate  |
| +Various   | Local CST rates (varies by jurisdiction)   |
| <b>Total</b>                                     | <b>The total CST rate for residential households is the gross receipts tax rate + the local tax rate</b> |

Direct-to-home satellite service is taxed at a state tax rate of 9.07% and a gross receipts tax rate of 2.37%, for a total tax rate of 11.44%.

### File and Pay Communications Services Tax

Communications services tax is reported using a *Florida Communications Services Tax Return (Form DR-700016)*. The Department offers a secure website to file and pay communications services tax at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay). You may voluntarily file and pay tax electronically; however, Florida law requires businesses that paid \$5,000 or more during the State of Florida's prior fiscal year (July 1 - June 30) to file returns and pay tax electronically during the next calendar year.

Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns are timely if filed electronically, postmarked, or delivered in person on the first business day following the 20th. **A return must be filed for each reporting period, even if you do not owe tax.**

**When 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. Keep the confirmation number in your records.

If you file your return or pay tax late, a penalty of 10% of any unpaid tax for each 30 days or fraction thereof, not to exceed a total penalty of 50% of unpaid tax, is charged. A floating rate of interest applies to underpayments and late payments of tax. Interest rate information is updated semiannually on January 1 and July 1 and is available at [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates).

## Prepaid Wireless Fee

Retail sellers of prepaid wireless services are required to collect a \$0.40 fee on the sale of each prepaid wireless service that allows a caller to connect to and interact with the Enhanced 911 (E911) System. This includes calling cards, plans, replenishments, or devices sold with prepaid wireless service.

When a sale to a consumer includes multiple prepaid wireless services in a single transaction, each individual prepaid wireless service is considered a separate retail sale subject to the prepaid wireless fee. If a prepaid wireless device is sold with a prepaid wireless service of 10 minutes or less, or for \$5 or less, the seller may elect not to apply the prepaid wireless fee to the sale.

Retail sellers must separately state or disclose the fee on an invoice, receipt, or similar document provided to the consumer, or otherwise disclose the fee to the consumer.

The prepaid wireless fee is not subject to sales tax.

## Registration for Prepaid Wireless Fees

Retail sellers must register each business location where prepaid wireless services are sold to collect, report, and remit prepaid wireless fees. You can register online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration) or submit a paper *Florida Business Tax Application (Form DR-1)*.

## Determining Where a Transaction Occurs

Retail sellers are required to report prepaid wireless fees by the county where the sales transaction occurs. The Department's Address/Jurisdiction Database at [floridarevenue.com/taxes/pointmatch](http://floridarevenue.com/taxes/pointmatch) can be used to determine the county for any Florida address.

If a retail transaction takes place in person by a consumer at a retail location in Florida, the transaction occurs in the county of the retail location. If a retail transaction does not take place at a retail location in Florida and items are shipped to the consumer, the transaction occurs in the county of the consumer's shipping address. If the retail transaction does not take place at a retail location in Florida and no items are shipped to the consumer, the transaction occurs in the county of the consumer's address or location associated with the consumer's mobile telephone number. If the county in which the transaction occurs cannot be determined, the fee is reported as nonspecific.

## File and Pay Prepaid Wireless Fees

Prepaid wireless fees are reported using a *Florida Prepaid Wireless Fee Return (Form DR-PPW)*. The Department offers a secure website to file and pay prepaid wireless fees at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay).

You also have the option of buying software from a software vendor. A list of software vendors is available at [floridarevenue.com/taxes/eservices](http://floridarevenue.com/taxes/eservices).

You may voluntarily file and pay fees electronically; however, Florida law requires businesses that paid \$5,000 or more in prepaid wireless fees during the State of Florida's prior fiscal year (July 1 - June 30) to file returns and pay fees electronically during the next calendar year.

Retail sellers may file returns using the same filing frequency as their sales and use tax returns. Sellers who anticipate fee collections to be less than \$50 per month may elect to report fees quarterly.

Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns are timely if filed electronically, postmarked, or delivered in person on the first business day following the 20th day of the month.

**When 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. Keep the confirmation number in your records.

### **Collection Allowance**

Retail sellers who file and pay timely are entitled to take a 5% collection allowance.

## **Florida Corporate Income Tax**

Florida corporate income and franchise tax is imposed on all corporations for the privilege of conducting business, deriving income, or existing within Florida. Corporations, including entities that are taxed federally as corporations, are subject to the tax.

A corporation's federal income, as adjusted by Florida additions, subtractions, and adjustments, is apportioned to Florida based on the corporation's activities in Florida compared to its activities everywhere. In most cases, this comparison includes the corporation's property, payroll, and sales.

The corporate income tax rate imposed on Florida net income is 5.5% for taxable years beginning on or after January 1, 2022.

### **Corporate Income Tax Filing Requirements**

Generally, all corporations, associations, or entities doing business, earning income, or existing in Florida are required to file a *Florida Corporate Income/Franchise Tax Return* ([Form F-1120](#)) or, if qualified, a *Florida Corporate Short Form Income Tax Return* ([Form F-1120A](#)). Sole proprietorships, individuals, estates of decedents, and testamentary trusts are exempt and do not have to file a return. For more information on filing Form F-1120A, visit [floridarevenue.com/taxes/cit](http://floridarevenue.com/taxes/cit).

A limited liability company that is classified as a corporation for Florida and federal income tax purposes must file a Florida corporate income tax return.

A limited liability company that is classified as a partnership for Florida and federal income tax purposes must file a *Florida Partnership Information Return* ([Form F-1065](#)) if one or more of its owners is a corporation. In addition, corporate owners must file a Florida corporate income tax return.

A single-member limited liability company disregarded for federal and Florida income tax purposes is not required to file a separate Florida corporate income tax return. The income must be reported on the owner's return if the single-member limited liability company is owned, directly or indirectly, by a corporation. The corporation must file a *Florida Corporate Income/Franchise Tax Return* (Form F-1120) reporting its own income and the income of the single-member limited liability company, even if the only activity of the corporation is ownership of the single-member limited liability company.

S corporations that pay federal income tax and tax-exempt organizations that have "unrelated trade or business income" for federal income tax purposes must file a Florida corporate income tax return and pay any tax due.

Generally, the Florida corporate income tax return is due on or before the first day of the fifth month following the close of the taxable year or the 15th day following the due date, without extension, for the filing of the related federal return, whichever is later. Visit [floridarevenue.com/taxes/cit](http://floridarevenue.com/taxes/cit) for more information.

You must file and pay electronically if you paid \$5,000 or more in corporate income tax during the State of Florida's prior fiscal year (July 1 – June 30). You must also file and pay electronically if you were required to file your federal income tax return electronically.

## Florida New Hire Reporting Requirement

Federal and state law require Florida employers to report 1) all new and rehired employees and 2) independent contractors who will earn more than \$600 per calendar year at [servicesforemployers.floridarevenue.com](http://servicesforemployers.floridarevenue.com). Employers must report these workers who work in Florida, even if they only work one day.

## Florida Reemployment Tax

The Reemployment Assistance Program provides partial temporary income to workers who lose their jobs through no fault of their own and are able to and available for work.

Reemployment tax is paid by employers, and the tax collected is deposited into the state Unemployment Compensation Trust Fund for the sole purpose of paying reemployment assistance benefits to eligible claimants. The Florida Department of Commerce administers reemployment assistance benefits. Only the first \$7,000 of wages paid to each employee by their employer in a calendar year is taxable.

Employers pay Florida reemployment tax as a cost of doing business. Workers do not pay any portion of this tax, and employers may not make payroll deductions for the tax.

### Employers Liable for Reemployment Tax

An employer is liable to pay reemployment tax when the employer meets any of the following conditions:

- Liable for federal unemployment tax
- Quarterly payroll of \$1,500 or more in a calendar year
- One or more employees for a day (or portion of a day) during any 20 weeks in a calendar year
- Agricultural employer with five or more workers for a day (or portion of a day) during any 20 weeks in a calendar year, or a \$10,000 cash payroll or more in any calendar quarter
- Domestic service performed by maids, cooks, maintenance workers, chauffeurs, social secretaries, caretakers, private yacht crews, butlers, and house parents in a private home, local college club, or local chapter of a college fraternity or sorority that paid \$1,000 or more in a quarter in a calendar year.
- Indian tribe or tribal unit
- Nonprofit organization as defined in s. 3306(c)(8) of the Federal Unemployment Tax Act and s. 501(c)(3) of the Internal Revenue Code and has four or more employees for a day (or portion of a day) during any 20 weeks in a calendar year
- State, county, city, or joint governmental unit
- Purchases all or part of a liable business, or the combination of the business's existing payroll or employment and that of the business purchased, meets the liability criteria.

Nonprofit organizations, governmental agencies, and Indian tribes are given the option of paying their reemployment insurance costs by the tax-paying method (contributory) or the reimbursement method. The reimbursing employer must repay benefits paid to former employees on a dollar-for-dollar basis. Regardless of the method of payment, these employers (like contributory employers) must submit an *Employer's Quarterly Report* (RT-6) each quarter.

Nonprofit organizations, governmental agencies, and Indian tribes may elect to change the method of paying reemployment tax. See *Information for Nonprofit Organizations* ([RTS-1C](#)), available at [floridarevenue.com/forms](http://floridarevenue.com/forms) under the Reemployment Tax section.



Employers liable for reemployment tax must display the poster *To Employees* ([RT-83](#)) where all employees can see it. The poster is also available in Spanish ([RT-83SP](#)). Posters are available for download at [floridarevenue.com/forms](http://floridarevenue.com/forms) under the Reemployment Tax section.

### Registration for Reemployment Tax

Employers register with the Florida Department of Revenue to report and pay Florida reemployment tax. You can register online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration) or submit a paper *Florida Business Tax Application* ([Form DR-1](#)) available at [floridarevenue.com/forms](http://floridarevenue.com/forms).

### Your Reemployment Tax Rate

The initial tax rate for new employers is 2.7%, which is applied to the first \$7,000 in wages paid to each employee during a calendar year. Any wages paid over \$7,000 for the calendar year is excess wages and is not subject to tax.

When a new employer becomes liable for reemployment tax, the initial rate of 2.7% applies until the employer has reported for 10 quarters. The only exception is for employers who are liable by succession and who choose to accept the tax rate of the previous employer, along with the responsibility of paying any outstanding amounts due. At that time, a tax rate will be calculated using the employment record and the rating factors, which are built into the Reemployment Assistance Law. Successors must complete the *Report to Determine Succession and Application for Transfer of Experience Rating Records* ([RTS-1S](#)) within 90 days of the date of the succession. Employers with stable employment records receive reduced tax rates after a qualifying period.

The maximum tax rate allowed by law is 5.4%, except for employers participating in the Short Time Compensation Program. The 5.4% rate can be earned, or it can be assigned to employers who have delinquencies greater than one year and to those employers who fail to produce all work records requested for an audit. By law, an employer's tax rate may not be lower than 0.1%. Rate notices are mailed to all contributing employers each year. You may appeal the tax rate within 20 days from the date of notification (the mail date printed on your rate notice).

### File and Pay Reemployment Tax

Employers must file an *Employer's Quarterly Report* (RT-6) to report wage data and pay reemployment tax due each calendar quarter. The *Employer's Quarterly Report* is due the first day of the month following the end of each calendar quarter and is timely if filed electronically, postmarked, or delivered in person on or before the last day of the month following the calendar quarter. If the last day of the month is a Saturday, Sunday, or state or federal holiday, reports are timely if filed electronically, postmarked, or delivered in person on the next business day.

| Quarter | Applied Months     | Due By     |
|---------|--------------------|------------|
| 1st     | January – March    | April 30   |
| 2nd     | April – June       | July 31    |
| 3rd     | July – September   | October 31 |
| 4th     | October – December | January 31 |

**You must file a report each calendar quarter, even if you did not pay wages and you do not owe reemployment tax for the quarter.**

Employers with employees who perform domestic duties only and have been approved by the Department of Revenue for annual filing, may use the *Annual Report for Employers of Domestic Employees Only* (RT-7). This report is due the first day of the month following the end of each calendar year and is timely if filed electronically, postmarked, or delivered in person on or before January 31. If January 31 is a Saturday, Sunday, or state or federal holiday, reports are timely if filed electronically, postmarked, or delivered in person on the next business day after January 31.

### Electronic Payment Requirements for Reemployment Tax

Employers who employed 10 or more employees in any calendar quarter between July 1 and June 30 (the state fiscal year) must file reports and pay tax electronically the next calendar year.



**When 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 due date** to avoid penalty and interest. Keep the confirmation number in your records.

### **Penalty and Interest**

A late filing penalty is charged every 30 days or fraction thereof that a report is delinquent. A floating rate of interest applies to late payments of tax. Interest rate information is updated semiannually on January 1 and July 1 and is available at [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates).

### **Protecting Your Reemployment Tax Rate**

Employers can help reduce tax rates by providing complete and accurate information needed to determine a claimant's eligibility for benefits. Improper payment of benefits can lead to negative financial impacts for employers. Here's how you can prevent improper payments and protect your tax rate:

- Report all new and rehired employees and those independent contractors earning more than \$600 per calendar year to the Florida [New Hire Reporting Center](#) by the due date, as required by federal law. Timely reporting helps prevent improper payment of benefits after an individual has returned to work.
- Respond promptly to any *Request for Verification of Weekly Earnings*. Verifying earnings ensures that the correct amount of reemployment assistance is paid for weeks of partial unemployment.
- Provide complete and accurate employee separation information. The employer's timely response to the *Determination Notice of Reemployment Assistance Claim Filed* (Form UCB-412) is used, in part, to determine the claimant's eligibility for reemployment assistance.

Employers who do not comply with state and federal requirements for providing employee information risk higher costs through increased taxes, fines, or penalties. For questions about benefit eligibility and payment, call the Florida Department of Commerce's Reemployment Assistance Program at 800-204-2418.

## **Employer E-Verify Certification**

### **Legal Requirements**

Section 448.095, Florida Statutes, requires employers to verify each new employee's employment eligibility within three business days after the first day that the new employee begins working for salary, wages, or other remuneration.

Private employers with 25 or more employees or public agencies are required to use E-Verify to validate that newly hired employees are eligible for employment within the United States.

E-Verify is a free, internet-based application operated by the U.S. Department of Homeland Security that allows employers to electronically verify employment eligibility of newly hired employees.

Information on how to register and access the E-Verify system is located on the federal E-Verify website at [e-verify.gov/employers](http://e-verify.gov/employers). If the E-Verify system is unavailable for three business days after the first day the new employee begins working for salary, wages, or other remuneration, an employer must use the U.S. Department of Homeland Security, Employment Eligibility Verification (federal USCIS Form I-9) to verify employment eligibility within the United States.

### **Certification Process**

Each public agency, private employer with 25 or more employees, or employee leasing company required to use the E-Verify system must certify on its first reemployment tax return filed each calendar year that it used E-Verify or the I-9 to confirm employment eligibility of each new employee. If you are not a public agency or private employer with 25 or more employees, and you use the E-Verify system to validate employment eligibility, you are not required but may elect to certify use of E-Verify on a voluntary basis.

## Changing Your Business Information

Notify the Department of Revenue if you change your business name, change your mailing address, change your location address, or close or sell your business. You should also notify the Department if you temporarily suspend or resume business operations. The quickest way to notify the Department of a change is at [floridarevenue.com/taxes/updateaccount](http://floridarevenue.com/taxes/updateaccount).

If you have previously submitted a **Florida Business Tax Application (Form DR-1)** and have an active *Certificate of Registration* or reemployment tax account issued by the Department, you can use the online or paper **Application for Registered Businesses to Add a New Florida Location (Form DR-1A)** to:

- register additional business locations or rental properties in Florida, or
- reregister a business location that has moved to a different county.

Submit a new registration **Form DR-1** (online or paper) if you:

- change your legal entity, or
- change the form of ownership of your business.

If you close or sell your business, **you must file a final return and pay all taxes due within 15 days** after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

To notify the Department in writing, send an **email** to [acctmaint@floridarevenue.com](mailto:acctmaint@floridarevenue.com).

To mail the Department a letter:  
Account Management MS 1-5730  
Florida Department of Revenue  
5050 W Tennessee St  
Tallahassee, FL 32399-0160

**Be sure to include your business partner number and your certificate number when writing the Department.**

## Buying an Existing Business

Before buying an existing business, the purchaser should ask the seller for documentation of any tax, penalty, or interest due to the Florida Department of Revenue. The purchaser could be liable for what is owed in relation to the business. The purchaser can withhold enough of the purchase money to cover the liability until the seller pays the amount due. While the sale is pending, the purchaser should have the seller hold an amount in escrow equal to any potential liability.

The seller can ask the Department for a *Certificate of Compliance* as proof the Department has not issued a *Notice of Intent to Audit Books and Records* and there are no outstanding liabilities on their account. The seller can provide this certificate to the purchaser as proof of good standing when selling a business or business interest. For more information, visit [floridarevenue.com](http://floridarevenue.com), select “Businesses and Employers,” and then select “[Certificate of Compliance](#).”

## Power of Attorney

To protect your privacy, access to personal information about you is limited to individuals authorized by law to have access to it. To ensure that information is not provided without your consent, a written request from you is required before the Department will provide your tax information. To provide your consent, complete a *Power of Attorney and Declaration of Representative (Form DR-835)* to authorize your representative to receive designated tax information.

## Florida Taxpayers' Rights Advocate

The mission of the Florida Taxpayers' Rights Advocate is to help promptly resolve problems that have not been resolved through normal Department administrative processes. The Office of Taxpayers' Rights Advocate is not a substitute for the Department's normal administrative procedures for appealing a tax assessment. The office can, however, assist a taxpayer who feels all the issues in a case were not properly addressed. If you believe the Office of Taxpayers' Rights Advocate could assist you with your tax issue, call the office at 850-617-8168. Visit [floridarevenue.com/taxpayersrights](http://floridarevenue.com/taxpayersrights) for more information.

## Resources

### The Florida Business Information Portal

The Florida Business Information Portal at [OpenMyFloridaBusiness.gov](http://OpenMyFloridaBusiness.gov) helps individuals seeking to start and operate a business in Florida. The portal focuses on State of Florida government requirements and resources for businesses. By entering the type of business you want to start, the portal provides a checklist to help you understand governmental requirements for your business category. The downloadable *Guide to Starting a Business in Florida* provides basic tools to open a business in Florida and supplementary resources such as business-specific checklists.

### Learn More with Tax Tutorials

Tutorials can help you learn the basics of your responsibilities as a Florida employer and provide information to assist you in collecting, reporting, and remitting tax to the Department. The following tutorials are available at [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education):

- *Reemployment Tax Part 1: The Basics*
- *Reemployment Tax Part 2: Employer's Responsibilities*
- *Reemployment Tax Part 3: Filing and Remitting Quarterly Reports (RT-6)*
- *Reemployment Tax Part 4: How to File the Employer's Quarterly Report (RT-6) Online*
- *Reemployment Tax Part 5: Filing a Quarterly Corrected Return (RT-8) Online*
- *Overview of Sales and Use Tax for Business Owners*
- *Internet Enrollment for eServices*
- *How to eFile and ePay Sales and Use Tax (Form DR-15)*
- *How to Complete Sales and Use Tax Return (Form DR-15)*
- *How to Complete Sales and Use Tax Return (Form DR-15EZ)*
- *How to Calculate and Pay Estimated Sales and Use Tax*
- *How to Calculate, Collect, and Report Your Discretionary Sales Surtax*
- *Motor Vehicle Dealers: How to Calculate, Collect, and Report Sales Tax*

### Florida Tax Handbook

The Florida Tax Handbook is an excellent source for comprehensive information about exclusions, exemptions, deductions, and credits from sales and use tax. Visit [edr.state.fl.us](http://edr.state.fl.us) and search for "Tax Handbook."

### Contact Information

Tax information and tutorials are available at [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education).

Tax forms, industry-specific brochures, and publications are available at [floridarevenue.com/forms](http://floridarevenue.com/forms).

**To speak with a Department of Revenue representative**, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

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