



Sales and Use Tax on Concession Stands

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General information for concession stand owners and operators

What is Taxable?

Sales of food, drinks, tobacco products, and other items of tangible property with a sales price of 10¢ or more are taxable when made from concession stands at arenas, auditoriums, carnivals, fairs, stadiums, theaters, street corners, and similar places of business. Concession stand examples include hot dog stands, ice cream and yogurt stands, snow cone stands, and tobacco stands.

Concession stand operators must collect sales tax and applicable discretionary sales surtax on sales of taxable items made from their concession stands.

What is Not Taxable?

Food sold as part of a school lunch to students, teachers, school employees, or school guests in public, parochial, or nonprofit schools (grades K through 12) are exempt.

Sales of natural fruit and vegetable juices at a roadside concession stand are exempt when the concession stand operator is not required to hold a license issued by the Department of Business and Professional Regulation; however, sales of soft drinks at the concession stand are subject to tax.

Sales of food products and other taxable items made by religious institutions that hold a Florida *Consumer's Certificate of Exemption* (Form DR-14) as a "religious – physical place" (indicates the religious institution has a physical place of worship) at a concession stand are exempt.

Sales made at concession stands as a fund-raising event are not subject to tax when:

- The event is held no more than two (2) times in a 12-month period;
- The concession stand is not on the same premises as any other dealer who is required to collect sales tax on concession sales; and
- The items sold were not purchased tax-exempt for resale (tax was paid at the time of purchase).

How is Tax Calculated on Concession Sales?

When it is impractical to separately state the tax, the following rates may be used:

County Sales Tax Rate	Concession Stand Effective Tax Rate
6.0%	1.0659
6.5%	1.0697
7.0%	1.0751
7.5%	1.0795
8.0%	1.0839

To calculate the sales tax and surtax:

1. Divide the **total receipts** from charges for the sale of taxable tangible property by the divisor for the county in which the concession stand is located to compute **gross sales**.
2. Subtract **gross sales** from the **total receipts** to compute the amount of sales tax and surtax due. In this example, the concession stand is operated within a county imposing a one percent (1%) surtax.

Example: sales tax rate of 6% plus the county surtax rate of 1% = 7% rate
 $\$100.00 \div 1.0751 = \93.01 gross sales
 $\$100.00 - \$93.01 = \$6.99$ sales tax and surtax due

What Rentals are Taxable?

The lease, rental, or license to operate a concession stand at another person's location is subject to sales tax and the applicable discretionary sales surtax unless an exemption applies. The location owner

of the concession stand is required to collect sales tax and surtax from the concession stand operator. Tax is due on the total rental consideration, including any commission or percentage of concession stand sales, received by the location owner from the concession stand operator.

The lease, sublease, license, or rental of real property to a person providing food and drink concession services within the premises of the following venues is not subject to tax:

- arena
- auditorium
- civic center
- convention hall
- exhibition hall
- pari-mutuel facility theater
- performing arts center
- publicly-owned recreational facility
- stadium
- theater

The lease or rental of items used to operate a concession stand, such as a table, display case, or cash register are subject to sales tax and surtax.

Who Must Register to Collect Tax?

Any person selling taxable items from a concession stand and any location owner who leases, rents, or licenses concession stands to concession operators for consideration must register as a dealer to collect and report sales tax. You can register to collect and report tax through our website. The site will guide you through an application interview that will help you determine your tax obligations. If you do not have Internet access, you can complete a paper *Florida Business Tax Application* (Form DR-1).

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

When is Tax Due?

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

Electronic Filing and Payment

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

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

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

Penalty and Interest

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

Interest - A floating rate of interest applies to underpayments and late payments of tax. Current and

prior period interest rates are posted on our website.

Reference Material

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

- Rule 12A-1.0011, Florida Administrative Code (F.A.C.) – Schools Offering Grades K through 12; Parent-Teacher Associations; and Parent-Teacher Organizations
- Rule 12A-1.011, F.A.C. – Sales of Food Products for Human Consumption by Grocery Stores, Convenience Stores, and Supermarkets; Sales of Bakery Products by Bakeries, Pastry Shops, or Like Establishments; Drinking Water; Ice
- Rule 12A-1.0115, F.A.C. – Sales of Food Products Served, Prepared, or Sold in or by Restaurants, Lunch Counters, Cafeterias, Hotels, Taverns, or Other Like Places of Business and by Transportation Companies
- Rule 12A-1.037, F.A.C. – Occasional or Isolated Sales or Transactions Involving Tangible Personal Property or Services
- Rule 12A-1.070, F.A.C. – Leases and Licenses of Real Property; Storage of Boats and Aircraft
- Rule 12A-1.080, F.A.C. – Concession Prizes; The Sale of Food, Drink, and Tangible Personal Property at Concession Stands
- Rule 12A-15.010, F.A.C. – The Sale of Food, Drink, and Tangible Personal Property at Concession Stands

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

- *Sales and Use Tax on Commercial Real Property Rentals* (GT-800016)
- *Sales and Use Tax on Amusement Machines* (GT-800020)
- *Sales and Use Tax on Vending Machines* (GT-800041)

Information, forms, and tutorials are available on our website: www.floridarevenue.com

To speak with a Department representative, call Taxpayer Services at 800-352-3671, Monday through Friday, excluding holidays.

For written replies to tax questions, write to

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

To find a **taxpayer service center** near you, go to:

www.floridarevenue.com/taxes/Pages/servicecenters.aspx

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