



Sales and Use Tax on Boats

Information for Dealers and Brokers

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Who Must Register to Collect Tax?

Any person who sells, offers for sale, or imports boats into Florida for sale at retail must register with the Department as a boat dealer. A boat broker offers boats for sale, but may not have the boats in their possession. Boat brokers are also required to register with the Department as a boat dealer.

You can register to collect and report tax through our website at www.floridarevenue.com. 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).

What is Taxable?

Sales and Use Tax

All boats sold, delivered, used, or stored in Florida are subject to Florida's sales and use tax, plus any applicable discretionary sales surtax, unless exempt. Florida boat dealers and brokers are required to collect tax from the purchaser at the time of sale or delivery.

Discretionary Sales Surtax

Most counties impose a local option discretionary sales surtax. The surtax is due when the boat is delivered by the dealer or broker to a county that imposes a surtax or when the use of the boat occurs in a county imposing a surtax. Discretionary sales surtax applies to the first \$5,000 of the purchase price. Current discretionary sales surtax rates for all counties are listed on Form DR-15DSS, *Discretionary Sales Surtax Information*, posted on our website.

Maximum Tax

The maximum tax on the sale of a boat or vessel is **\$18,000**. This includes both sales and use tax and discretionary sales surtax. For more information and detailed instructions on this maximum tax, see Tax Information Publication (TIP) 10A01-07 issued on June 22, 2010.

The maximum tax on the repair of a boat or vessel is **\$60,000**. This cap is to be applied to each boat repair occurring in Florida. Subsequent and separate repairs are each subject to their own \$60,000 cap. For more information and detailed instructions on this maximum tax, see TIP 15A01-07 issued on June 26, 2015.

Trade-In Allowance

Registered boat dealers and brokers may deduct a trade-in allowance from the purchase price of the boat when, in a single transaction, tangible personal property (not real property) is traded as part of the boat purchase.

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.

Alternative Method for Calculating Estimated Tax

Boat dealers and brokers may use an alternative method to calculate estimated sales tax. To qualify for the alternative method, you must have made at least one sale of a boat with a selling price of \$200,000 or more in the prior state fiscal year (July 1 – June 30). Dealers and brokers must apply before October 1 of **each** year and be approved by the Department to use this method. To apply, fill out and mail a *Boat, Motor Vehicle, or Aircraft Dealer Application for Special Estimation of Taxes* (Form DR-300400) to the Department.

For boat dealers and brokers who are approved to use the alternative method for calculating estimated tax, payment of the tax on sales of boats with a sales price of \$200,000 or more is due on the date of the sale.

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.

Specific Exemptions

Boats Sold to Nonresidents

A boat sold by or through a registered dealer or broker to a purchaser who is a nonresident of Florida at the time of taking delivery of the boat in Florida is exempt. This exemption applies to the sale of a boat, including any accessories, but does not apply to the sale of a boat trailer.

The nonresident purchaser must meet the following requirements:

- The nonresident purchaser must sign an affidavit (Form GT-500003) stating that he or she has read the law and rules regarding the specific exemption claimed and agrees to remove the boat from Florida.
 - A boat of less than 5 net tons of admeasurement must leave Florida within 10 days of purchase or immediately be placed in the care, custody, and control of a registered repair facility for repairs, additions, or alterations. The boat must leave Florida within 20 days after completion of the repairs.
 - If the boat is 5 net tons of admeasurement or larger, the purchaser may obtain a set of Florida Department of Revenue boat decals, which authorize the boat to remain in Florida waters up to 90 days after the purchase. This period may be extended to 180 days with the purchase of a 90-day extension decal. The decals must be obtained from the selling dealer or broker.
- Within 5 days of the date of sale, the dealer or broker must provide the Department with a copy of the invoice, bill of sale, and/or closing statement, and the original, signed, removal affidavit.
- Within 10 days of removing the boat, the nonresident purchaser must furnish the Department with proof that the boat left Florida. Receipts for fuel, dockage, or repairs purchased outside Florida must identify the boat.

- Within 30 days of removal, the nonresident purchaser must provide the Department with written documentation evidencing that the boat was documented, licensed, titled, or registered outside Florida or documentation that the nonresident purchaser has applied for documentation, licensing, titling, or registration of the boat.

This exemption does not apply to a Florida resident, an entity where the controlling person is a Florida resident, or a corporation where any officers or directors are Florida residents.

Documentation must be mailed to:

Florida Department of Revenue
Compliance Campaigns

PO Box 6417
Tallahassee FL 32314-6417

Boats Imported for Sale

A boat that is brought into Florida for the sole purpose of sale at retail by a registered boat dealer or broker is exempt from Florida use tax. The boat must be under the care, custody, and control of the dealer or broker and personal use of the boat is **not** permitted while it is in Florida.

Reference Material

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

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

- *Florida’s Sales and Use Tax* (GT-800013)
- *Florida’s Discretionary Sales Surtax* (GT-800019)
- *Sales and Use Tax on Boats Information for Owners and Purchasers* (GT-800005)

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.

To find a **taxpayer service center** near you, go to:
www.floridarevenue.com/taxes/Pages/servicecenters.aspx

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

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- Tax Information Publications (TIPs).
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