



Sales and Use Tax on Detective, Burglar Protection, and other Protection Services

General information you should know as a provider
of these services.

What Services are Taxable?

Detective, burglar protection, and other protection services defined under North American Industry Classification System (NAICS) National Numbers 561611, 561612, 561613, and 561621 are taxable. These are examples of services that are subject to sales tax and the applicable discretionary sales surtax:

- Armored car services
- Bodyguard (personal protection) services
- Burglar alarm monitoring and maintenance
- Detective agency services
- Fingerprinting services
- Fire alarm monitoring and maintenance
- Guard dogs, detection dogs, and other dogs for protection or investigative services (not including training), with or without a handler
- Guard, patrol, and parking or other facility services
- Investigation services (except credit)
- Lie detection or polygraph services
- Missing person tracing services
- Passenger screening services
- Skip tracing services

What Services are Not Taxable?

These are examples of services that are not taxable:

- Investigative services performed within Florida but used outside this state by the purchaser; or investigative services performed when the purchaser's primary benefit of the services is outside Florida.
- Investigative or security services provided directly to a government entity that is exempt from sales and use tax under section 212.08(6), Florida Statutes, if payment is made directly by the government entity.
- Sales of services to nonprofit organizations that hold a current Florida *Consumer's Certificate of Exemption* (Form DR-14). The seller must have a copy of the purchaser's *Consumer's Certificate of Exemption* or a transaction authorization number issued by the Department.

Taxable Sales Price

The amount of taxable sales includes all expenses (including any taxes paid on those expenses) necessary for the performance of the service.

Example: A security company provides security to a client for \$125,000 a year, plus tax. The contract includes \$85,500 in direct wages for several security guards. The security service pays \$6,541 in Social Security (FICA) taxes on the wages paid to the security guards. Neither the \$85,500 in wages nor the \$6,541 in FICA tax can be deducted from the \$125,000 charge for this taxable service when computing the sales tax. The company bills the client for \$125,000 plus sales tax and any applicable discretionary sales surtax.

Example: A private investigator, while providing a taxable service for a client, stays in a hotel room, for which he pays \$100 plus \$6 tax. He bills the client \$500 for his service, plus reimbursement of the \$106 expenses incurred in performing the service. The investigator bills the client for \$606 plus tax. The tax on the investigator's service will be six percent of the total \$606 charged, or \$36.36 plus any applicable discretionary sales surtax.

Purchases

Detective, burglar protection, and other protection service providers are the consumers of any tangible personal property used in providing their services. As such, the service provider is liable for the sales and use tax and the applicable discretionary sales surtax on any purchase used in providing these services.

Discretionary Sales Surtax

Most counties have a discretionary sales surtax that is applicable to all transactions that are subject to sales and use tax. The surtax rate is based on the rate in the county where the taxable service is performed. Unlike sales of taxable tangible personal property, the \$5,000 surtax limitation does not apply to sales of taxable services.

More information can be found on the application of surtax to various transactions by reviewing the Department's discretionary sales surtax brochure, Form GT-800019. A list of Florida counties and their surtax rates is provided in Form DR-15DSS. These documents are available in the "Forms and Publications" section of the Department's website at www.floridarevenue.com.

How Do I Register to Collect Sales Tax?

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

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-1.0092, Florida Administrative Code, Detective, Burglar Protection, and Other Protection Services.

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)

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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