



Florida Taxes on Laundering, Dry Cleaning, and Alterations

Gross Receipts Tax

What is Taxable?

A 2% tax is imposed on the gross receipts received by dry-cleaning and dry drop-off facilities on charges for:

- Laundering clothing and other fabrics
- Dry cleaning clothing and other fabrics

There is a \$5 per gallon tax on the sale of perchloroethylene to dry-cleaning facilities located in Florida.

What Is Exempt?

The tax does not apply to receipts from:

- Coin-operated laundry machines, unless operated at a dry-cleaning establishment
- Laundry done on a wash, dry, and fold basis
- Uniform rental companies
- Linen supply service companies

Entities that are exempt from paying sales and use tax, such as political subdivisions, nonprofit religious institutions, or veterans' organizations, are **not** exempt from paying gross receipts tax.

Customer Receipts

Customer receipts for dry-cleaning services that separately itemize the gross receipts tax or the \$5 per gallon tax on perchloroethylene must also include the following statement:

"The imposition of this tax was requested by the Florida Drycleaners Coalition."

Resale Certificate

The receipts from dry-cleaning and laundering services at dry-cleaning or dry drop-off facilities who resale the services to their customers are exempt. The dry-cleaning or dry drop-off facility must obtain a *Resale Certificate for Gross Receipts Tax* from the purchasing facility. The selling facility is only required to obtain one certificate from each purchasing facility.

Resale Certificate for Gross Receipts Tax on Laundering and Drycleaning Services
<p>This is to certify that the services purchased on or after _____ (date) from _____ (name) are being purchased for the purposes of resale pursuant to Section 376.70(6), F.S.</p> <p>Name of Purchasing Facility _____ Purchasing Facility's Address _____ Certificate of Registration Number _____ Effective Date of Certificate _____</p> <p>I understand that if I fraudulently issue this certificate to evade the payment of gross receipts tax on dry-cleaning services I will be liable for payment of the tax directly to the Department plus a penalty of 200% of the tax and may be subject to conviction of a third degree felony.</p> <p>_____ Signature of Purchaser or Purchaser's Agent</p> <p>_____ Title</p> <p>_____ Date</p>

Sales Tax

All materials and supplies, such as soap powder, naphtha, detergent, washers, dryers, tools, and office equipment, consumed in providing dry-cleaning and laundering services are subject to Florida sales and use tax, including discretionary sales surtax. Dry cleaners and launderers who purchase these materials and supplies must pay Florida sales or use tax on them.

Sales of laundry detergent, fabric softener, and other items sold through vending machines are taxable. If you have a vending machine located at your business, see the brochure on "Vending Machines."

Charges for alterations, tailoring, repairs, dyeing, waterproofing, mothproofing, and similar services are subject to sales tax and discretionary sales surtax. Materials that become a part of the item being repaired or altered (e.g., dye, thread, or cloth) may be purchased for resale tax-exempt by the dealer. The selling dealer must obtain a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) or a resale authorization number from the Department.

Charges to customers for dry-cleaning or laundry services or for the use of washing machines or clothes dryers are **not** subject to tax.

Sales and Use Tax Rates

Florida's sales and use tax rate is six percent (6%); however, most Florida counties also impose a discretionary sales surtax which must be collected and reported. The surtax rate varies, depending on the county. You can find a list of Florida counties and their surtax rates (Form DR-15DSS) and *Florida's Discretionary Sales Surtax* brochure (GT-800019) on our website at www.floridarevenue.com.

Who Must Register to Collect Tax?

Businesses must register with us to collect sales and use tax and/or solid waste fees (including gross receipts tax on dry cleaning and laundering). Businesses that register to collect sales tax must complete a separate application for each location; however, only one registration application is required for dry-cleaning and dry drop-off facilities operating multiple locations to pay the gross receipts tax on dry cleaning and laundering.

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) for each location registered for sales and use tax and a single *Certificate of Registration for Tax on Gross Receipts of Drycleaning Facilities* (Form DR-11D). If you are not filing electronically, we will mail your *Sales and Use Tax Returns* (Form DR-15) and a *Solid Waste and Surcharge Return* (Form DR-15SW) to you.

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 sales and use tax return and a solid waste and surcharge return, even if you do not owe taxes or fees for the reporting period.**

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 and solid waste taxes and fees 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-1.042, Florida Administrative Code (F.A.C.) - Dry Cleaners and Laundries
- Rule 12A-1.076, F.A.C. - Sales of Articles of Clothing, Clothing Accessories, and Jewelry
- Rule Chapter 12B-11, F.A.C. - Tax on Gross Receipts on Dry Cleaning
- Rule Chapter 12B-12, F.A.C. - Tax on Perchloroethylene

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)
- *Florida’s Pollutants Tax* (GT-800032)
- *Sales and Use Tax on Vending Machines* (GT-800041)
- *Solid Waste Fees, Motor Vehicle Fees, and Gross Receipts Tax on Dry Cleaning* (GT-800037)

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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