Considering Business Opportunities in Florida?

Tax information you may need for a successful start.

The Florida Department of Revenue administers over 30 taxes and fees, including sales and use tax, discretionary sales surtax, reemployment tax (formerly unemployment tax), communications services tax, and corporate income tax. These five taxes are briefly outlined here because many businesses are subject to them. For more information about taxes and fees administered by the Department, visit our website at: **www.myflorida.com/dor**

Sales and Use Tax

Chapter 212, Florida Statutes (F.S.)

Sales tax applies to the sale, rental, lease, or license to use goods, certain services, and commercial property in Florida, unless the transaction is exempt.

If your business will have taxable transactions, you must register as a sales and use tax dealer **before you begin conducting business in Florida**. See "How to Register" for details. Most local governments also have registration or licensing requirements; contact them before starting business.

After we approve your registration application, you will receive a *Certificate of Registration* (Form DR-11), a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13), and information you need to file and pay your taxes.

Dealers must collect sales tax at the time of each sale and pay the tax for each reporting period to the Department. Dealers may file and pay electronically or with paper *Sales and Use Tax Returns* (Form DR-15). Any use tax due must be paid with your tax return. **You must file a return even if no tax is due.** If the opening date of your business changes, notify the Department to avoid a *Notice of Delinquency* and a late-filing penalty.

Discretionary Sales Surtax

Rule 12A-15.002, Florida Administrative Code (F.A.C.)

Most Florida counties impose a discretionary sales surtax that generally applies to transactions that are subject to sales and use tax.

A dealer who sells or delivers taxable goods or taxable services into a county with a discretionary sales surtax must collect the surtax at the rate imposed in the county where the goods or services are delivered. The surtax is on the first $5,000 of any item of tangible personal property. The $5,000 limit does not apply to commercial rentals, transient rentals, or services.

Dealers must pay discretionary sales surtax to the Department with sales and use tax, on the *Sales and Use Tax Return* (Form DR-15).

Reemployment Tax

Chapter 443, F.S.

Reemployment assistance benefits provide partial, temporary income to workers who lose their jobs through no fault of their own, and are able and available to work. The employer pays for reemployment assistance benefits through a tax administered by the Department of Revenue. Workers do not pay any part of the reemployment tax and employers must not make payroll deductions for this purpose. The employer's payments go into a reserve fund from which benefits

are paid to eligible claimants. Employers start out with an initial rate that may be reduced as an employment history is established.

You are liable for reemployment tax in Florida if:

- You have a $1,500 quarterly payroll or employ at least one worker for a day or portion of a day for 20 weeks in a calendar year. This includes corporate officer wages, draws, dividends, distributions, etc.
- You are a government entity.
- You have a 501(c)(3) IRS exemption and employ four or more workers for a day or portion of a day for 20 weeks in a calendar year.
- You employ persons who provide agricultural labor; and you employ five or more workers for a day or a portion of a day for 20 weeks in a calendar year, or pay $10,000 in cash during any calendar quarter.
- You employ persons who provide domestic services in your private home or college clubs (fraternities and sororities) and you pay $1,000 in cash during any calendar quarter.
- You bought all or part of the organization, trade, business, or assets of a liable employer.
- You must pay federal unemployment taxes.
- You voluntarily elect to cover workers.

If your business meets any of the above criteria, you must register to report Florida reemployment tax. See “How to Register” for details.

Employers must file an *Employer’s Quarterly Report* (RT-6) each quarter, regardless of employment activity or whether any taxes are due. Exception: Employers of domestic employees may qualify for annual filing.

Communications Services Tax

Chapter 202, F.S.

If your business provides communications services, you must register to collect and pay communications services tax. Communications services include telecommunications, video (e.g., television programming), direct-to-home satellite, and related services. The definition includes voice, data, audio, video, or any other information or signals transmitted by any medium.

Some examples of taxable services are:

- Local, long distance, and toll telephone
- Voice over Internet Protocol (VoIP) telephone
- Video service (e.g., television programming)
- Video streaming
- Direct-to-home satellite
- Mobile communications
- Private communications
- Pager and beeper

- Telephone charges made by a hotel or motel
- Facsimiles (fax), except in the course of professional or advertising services
- Telex, telegram, and teletype

See “How to Register” for details on registration. If you are unsure whether you must register for this tax, contact Taxpayer Services (see “Contact Us”). Dealers of communications services must file a *Communications Services Tax Return* (Form DR-700016).

How to Register

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).

Corporate Income Tax

Chapter 220, F.S.

Corporations and entities that do business, or earn or receive income in Florida, including out-of-state corporations, must file a Florida corporate income tax return unless exempt. You must file a return even if no tax is due.

S Corporations and tax-exempt organizations do not file a Florida corporate income tax return if there is no federal taxable income. If you have federal taxable income, however, you must file a Florida corporate income tax return and pay any tax due.

Homeowner and condominium associations that file federal Form 1120-H do not file a Florida corporate income tax return. However, if you file federal Form 1120, a Florida corporate income tax return must be filed.

Corporations and entities subject to Florida corporate income tax must file a *Florida Corporate Income/Franchise Tax Return* (Form F-1120), unless you qualify to file a *Florida Corporate Short Form Income Tax Return* (Form F-1120A).

Reference Material

Tax Rules – Our online Revenue Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the library for Chapters 202, 212, 220, and 443, F.S.; and Rule 12A-15.002, F.A.C.

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

- *Business Owner’s Guide for Sales and Use Tax* (GT-300015)
- *Florida’s Sales and Use Tax* (GT-800013)
- *Florida’s Discretionary Sales Surtax* (GT-800019)
- *Florida’s Corporate Income Tax* (GT-800017)
- *Employer Guide to Reemployment Tax* (RT-800002)
- *Florida’s Communications Services Tax* (GT-800011)
- *Florida’s Documentary Stamp Tax* (GT-800014)

How Are We Doing?

Please give us your feedback on this brochure by taking our one-minute survey.

Go to **www.myflorida.com/dor** and select “Surveys.”

Contact Us

Information and forms are available on our website at: **www.myflorida.com/dor**

To speak with a Department of Revenue representative, call Taxpayer Services, 8 a.m. to 7 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a written reply to tax questions, write to:

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

Get the Latest Tax Information

Subscribe to our tax publications to receive due date reminders or an email when we post:

- Tax Information Publications (TIPs).
- Proposed rules, notices of rule development workshops, and more.

Go to: **www.myflorida.com/dor/list**