



# Secondhand Dealers and Secondary Metals Recyclers

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## Definitions

**Secondhand Goods** – Any personal property previously owned or used.

- Includes gift certificates, gift cards, stored value card, or similar instrument purchased and redeemable for merchandise, food, or services.
- Includes credit memos, certificates, cards, stored value card, or similar instrument issued in exchange for returned merchandise redeemable for merchandise, food, or services.
- Does **not** include office furniture, pianos, books, clothing, organs, coins, motor vehicles, costume jewelry, cardio and strength training or conditioning equipment designed primarily for indoor use, and secondhand sports equipment that is not permanently labeled with a serial number (excluding golf clubs).

**Secondhand Dealer** – Any person, corporation, or other business organization that is in the business of purchasing, consigning, or trading secondhand goods and is not a secondary metals recycler.

**Automated Kiosk** – An interactive device that:

- is permanently installed within a secure retail space;
- can be remotely monitored by a live representative during all business hours;
- can verify a seller's identity by a government-issued photographic identification card;
- can read and record serial numbers of items;
- can compare item serial numbers against databases of stolen items;
- secures goods accepted by the kiosk; and
- captures and stores images during a purchase transaction.

**Automated Kiosk Secondhand Dealer** – Any secondhand dealer that is in the business of purchasing secondhand goods by means of an automated kiosk.

**Precious Metals** – Any item containing any gold, silver, or platinum, or any combination thereof, excluding any chemical or any automotive, photographic, electrical, medical, or dental materials or electronic parts.

**Mail-in Secondhand Precious Metals Dealer** – Any person or entity that conducts business within Florida and contracts with other persons or entities to buy precious metals (items that contain gold, silver, or platinum, or any combination thereof) or jewelry through a website, the United States Postal Service, or telemarketing.

**Secondary Metals Recycler** – Any person, corporation, or other business organization, operating at a fixed location that buys, gathers, or obtains ferrous or nonferrous metals that are converted into raw material products.

- Ferrous metal – Metal containing significant quantities of iron or steel.
- Nonferrous metal – Metal not containing significant quantities of iron or steel.

**Pawnbroker** – Any person engaged in the business of making pawns who makes a public display with the words “pawn,” “pawnbroker,” “pawnshop,” or any variation, or who displays a sign or symbol identified with pawns.

Pawnbrokers are required to register with the Florida Department of Agriculture and Consumer Services ([www.800helpfla.com](http://www.800helpfla.com)). (See Chapter 539, Florida Statutes [F.S.]

**Salvage Motor Vehicle Dealer** – A business that engages in the business of acquiring salvaged or wrecked motor vehicles for the purpose of reselling them and their parts. Salvage motor vehicle dealers must register with the Department of Highway Safety and Motor Vehicles (DHSMV) for a salvage motor vehicle dealer license ([www.flhsmv.gov](http://www.flhsmv.gov)). (See section [s.] 320.27, F.S.)

## Registration Requirements

Before engaging in business in Florida, every person or business entity who purchases or sells secondhand goods, precious metals, or metals for conversion to raw material products must register with the Florida Department of Revenue:

- as a sales and use tax dealer to collect and report sales tax and any applicable discretionary sales surtax, and
- as a secondhand dealer or secondary metals recycler.

Complete a **Florida Business Tax Application** (Form DR-1). A separate application is required for:

- Each county where secondhand goods are purchased, consigned, or traded and at each business location where secondhand goods are sold;
- Each county where an automated kiosk is operated;
- Each business location where secondary metals are purchased, gathered, or obtained; and
- Each secondary metals recycler business location where ferrous and nonferrous metals are converted into raw products.

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). The registration fee for a paper application is \$5; however, there is no fee for registering online.

Complete a **Registration Application for Secondhand Dealers and Secondary Metals Recyclers** (Form DR-1S) to register one or more of your business locations as a secondhand dealer or secondary metals recycler. The registration processing fee is \$6 for each license at each location.

Any person who engages in business as a pawnbroker must register with the Department of Revenue to collect and report sales tax and surtax. Pawnbrokers are **not** required to register as a secondhand dealer.

Any salvage motor vehicle dealer that dismantles and converts motor vehicles into scrap metal must register with the Department of Revenue as a secondary metals recycler.

Any person who is in the business of purchasing, consigning, or trading secondhand goods at a flea market (temporary or permanent business location) must obtain a *Secondhand Dealer Certificate of Registration* (Form DR-11S) for the flea market location, unless the business has registered as a secondhand dealer in the same county as the flea market. The business must also obtain a sales and use tax *Certificate of Registration* (Form DR-11) for the flea market business location.

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 you intend to resell. If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*.

## Are There Any Exemptions from the Registration Requirements?

Yes. Florida law exempts certain types of businesses and transactions that are not subject to the registration requirements for secondhand dealers and secondary metals recyclers. See ss. 538.03, 538.22, and 538.31, F.S., for additional transactions that are not subject to Florida law regarding secondhand dealers and secondary metals recyclers.

### ➤ **Who is Not Required to Register as a Secondhand Dealer?**

- Pawnbrokers
- Any nonprofit, religious, charitable organization or school-sponsored association or organization
- Garage sale operators who hold less than 10 garage sales per year
- Any person accepting a secondhand good as a trade-in for a similar item of greater value
- Any person offering items for sale, purchase, consignment, or trade via an Internet website who is not required to have a local occupational or business license to offer these items
- Any business that primarily buys, sells, or trades motion picture videos and video games that meets the requirements of s. 538.03(2)(o), F.S.
- Any business registered with the Department for sales tax as an antique dealer that meets the requirements of s. 538.03(2)(l), F.S.
- Any auction business defined in s. 468.382, F.S., operating as an auction business in the buying and selling of estates, business inventory, surplus merchandise, or business liquidations

### ➤ **Who is Not Required to Register as a Mail-in Secondhand Precious Metals Dealer?**

- Any registered secondhand dealer available to the public for walk-in business.

### ➤ **Who is Not Required to Register as a Secondary Metals Recycler?**

- Any religious, fraternal, civic, patriotic, social, or school-sponsored organization or association or any nonprofit corporation or association.
- Any vendor that generates regulated materials in the ordinary course of business.

## Criminal History Record Check

Applicants submitting an initial (“new business”) secondhand dealer or secondary metals recycler registration are required to undergo a criminal history record check. Each business owner, officer, member, director, partner, and stockholder with a controlling interest in a business must undergo the record check.

Business owners may submit a *Registration Application for Secondhand Dealers and Secondary Metals Recyclers* (Form DR-1S) for additional locations without undergoing a new criminal history record check if they hold an active certificate of registration as a secondhand dealer or secondary metals recycler.

Employees of secondhand dealers or secondary metals recyclers with **no** controlling interest, financial or otherwise, **do not** have to undergo a criminal history record check.

A director with no ability to control the company may submit a letter signed by an active principal corporate officer (president, vice-president, secretary, or treasurer) attesting that the director in question is not required to undergo a criminal history record check because he or she is not an owner of any controlling interest, financial or otherwise.

Information on how to initiate a criminal history record check will be provided by the Department upon receipt of your registration application (Form DR-1S).

## Local Law Enforcement

Local law enforcement is responsible for enforcing compliance with holding periods, inspection, and recordkeeping requirements. Contact your local sheriff or police department if you have questions about transaction forms, recordkeeping, or how many days an item must be kept onsite before it may be resold or traded.

Local law enforcement officials may request a report that includes names and addresses of registered secondhand dealers and secondary metals recyclers in their local jurisdiction by calling 800-352-3671 or by emailing [masonde@floridarevenue.com](mailto:masonde@floridarevenue.com) or [youngji@floridarevenue.com](mailto:youngji@floridarevenue.com). Only law enforcement is authorized to request these registration reports.

## When to Collect and Report Sales Tax

Retail sales of secondhand goods, precious metals, and secondary metals are subject to Florida's sales and use tax and applicable discretionary sales surtax. Information on collecting and reporting sales and use tax can be found in the Department's sales and use tax brochure, GT-800013.

Most counties have a discretionary sales surtax that is applicable to all transactions that are subject to sales and use tax. Information can be found on the application of surtax to various transactions by reviewing the Department's discretionary sales surtax brochure, GT-800019. Form DR-15DSS provides a list of Florida counties and their surtax rates. These documents are available in the "Forms and Publications" section of the Department's website at [www.floridarevenue.com](http://www.floridarevenue.com).

## 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 Chapter 538, F.S., and Rule Chapter 12A-17, Florida Administrative Code, *Registration as Secondhand Dealer or Secondary Metals Recycler*.

Information, forms, and tutorials are available on our website: [www.floridarevenue.com](http://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](http://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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