



Secondhand Dealers and Secondary Metals Recyclers

Registration Requirements

Before you begin business in Florida to sell secondhand goods, precious metals, or metals for conversion to raw material products, you must register with the Department of Revenue as a:

- Sales and use tax dealer to collect, report and remit sales and use tax, and
- Secondhand dealer or secondary metals recycler.

Sales and Use Tax Dealers – You can register to collect, report and pay sales tax and local discretionary sales surtax online at floridarevenue.com/taxes/registration. The online system will guide you through a series of questions to help determine your tax obligations. If you do not have internet access, you can complete a paper *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.

As a registered sales and use tax dealer, a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) will be mailed to you. If you are not filing electronically, paper tax returns will be mailed to you. The *Certificate of Registration* must be displayed in a clearly visible place at your business location. 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*.

Secondhand Dealers and Secondary Metals Recyclers – To register one or more of your business locations as a secondhand dealer or secondary metals recycler, complete a **Registration Application for Secondhand Dealers and Secondary Metals Recyclers** (Form DR-1S). The registration processing fee is \$6 for each license at each location. After your registration is approved, you will receive a *Secondhand Dealer Certificate of Registration* or a *Secondary Metals Recycler Certificate of Registration* (Form DR-11S) for each registered location.

Pawnbrokers must register with the Department of Revenue to collect, report and remit sales tax and surtax; however, they are **not** required to register as a secondhand dealer.

Salvage motor vehicle dealers that dismantle and convert motor vehicles into scrap metal must register with the Department of Revenue to collect, report and remit sales tax and surtax, and as a secondary metals recycler.

Flea Markets – Any person who is in the business of purchasing, consigning, or trading secondhand goods at a flea market on a regular basis must obtain a *Secondhand Dealer Certificate of Registration* (Form DR-11S) and a sales and use tax *Certificate of Registration* (Form DR-11) for the flea market business location. Secondhand dealers that conduct business at a temporary flea market location within a county where they are currently registered as a secondhand dealer and as a sales and use tax dealer are **not** required to register the temporary flea market location.

Exemptions from the Registration Requirements

Florida law exempts certain types of businesses from the secondhand dealer or secondary metals recycler registration requirements. For more information, review ss. 538.03, 538.22, and 538.31, Florida Statutes.

- **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

First-time applicants registering as a secondhand dealer or secondary metals recycler must undergo a criminal history record check. Each business owner, officer, member, director, partner, and stockholder with a controlling interest in the business must undergo a criminal history record check. Information on how to initiate a criminal history record check will be provided by the Department when your registration application (Form DR-1S) is received.

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 does not have a controlling interest in the business, financial or otherwise, and is not required to undergo a criminal history record check.

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 from the Department of Revenue by calling 850-717-6205 or by emailing **second_hand_dealer@floridarevenue.com**.

Registered Florida Sales and Use Tax Dealer Responsibilities

As a registered dealer, you act as an agent of Florida and must:

- Collect sales tax (state plus applicable local discretionary sales surtax) on each taxable transaction.
- Remit the tax you collect and pay the use tax you owe to the Florida Department of Revenue.
- Pay use tax on items you purchased tax-exempt, but then used in the business or removed from inventory and do not resell.
- You can file and pay online or mail a **Sales and Use Tax Return (Form DR-15)** with a check or money order.
- Keep complete and accurate records for all your tax returns filed including canceled tax payment checks, and sales and purchases documentation. Records must be kept for at least three years.

The sales tax collected through your business transactions become state funds at the moment of collection; you are a custodian of these funds until you remit them to the Department of Revenue. Please keep accurate records and maintain separate accounting regarding these funds.

Filing and Paying Tax

You can file returns and pay sales and use tax, plus any applicable surtax, using the Department's online file and pay website at floridarevenue.com/taxes/filepay or you may purchase software from a software vendor. A list of software vendors is available on the Department's website at floridarevenue.com/taxes/eservices.

Returns and payments are due on the 1st and late after the 20th day 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 are timely if filed electronically, postmarked or hand-delivered 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.**

When you electronically pay only or you electronically file and pay at the same time, you must initiate your electronic payment and receive a confirmation number no later than 5:00 p.m., ET, on the business day prior to the 20th. Keep the confirmation number in your records. The **Florida e-Services Calendar of Due Dates** (Form DR-659) provides a list of deadlines for initiating electronic payments on time and is available on the Department's website at floridarevenue.com/forms.

If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, but not less than \$50, may be charged. The \$50 minimum penalty applies also to businesses that file a late return even if no tax is due. Penalty will also be charged if your return is incomplete. A floating rate of interest applies to underpayments and late payments of tax. Interest rates are available on the Department's website at floridarevenue.com/taxes/rates.

Updating Your Business Information

The quickest way to notify the Department of changes to your account, such as updates to your name, address or location, and when you temporarily suspend or resume business operations, is online at floridarevenue.com/taxes/updateaccount.

If you close or sell your business, **you must file a final return and pay all taxes due within 15 days** after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

Resources for Business Success: Partnership with SCORE

The Department is proud to partner with SCORE to provide tools and resources to help businesses succeed. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. In partnership with SCORE, the Department presents webinars on topics

that provide important information for your business. Webinars are available through the Department's website at floridarevenue.com/taxes/education.

Definitions

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 in the business of purchasing secondhand goods by means of an automated kiosk.

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.

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 at <http://www.freshfromflorida.com/Business-Services/Pawnbroking>. (Review Chapter 539, Florida Statutes [F.S.]

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

Salvage Motor Vehicle Dealer – A business that engages in the business of acquiring salvaged or wrecked motor vehicles to resell the vehicle or 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 at flhsmv.gov. (See section [s.] 320.27, F.S.)

Secondhand Goods – Any personal property previously owned or used. Secondhand goods:

- Includes gift certificates, gift cards, credit memos, certificates, stored value cards, or similar instruments purchased or issued in exchange for returned merchandise and 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 in the business of purchasing, consigning, or trading secondhand goods that is not a secondary metals recycler.

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.

Reference Material

Laws – Chapter 538, F.S., available at leg.state.fl.us

Rules – Chapter 12A-17, Florida Administrative Code, available at flrules.org.

Contact Us

Information, forms and tutorials are available on the Department's website at floridarevenue.com.

To speak with a Department of Revenue representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

Subscribe to Receive Updates by Email

Visit floridarevenue.com/dor/subscribe to sign up to receive an email when the Department posts:

- Tax Information Publications (TIPs).
- Proposed rules, including notices of rule development workshops and emergency rulemaking.
- Due date reminders for reemployment tax and sales and use tax.