



Sales and Use Tax on Tangible Personal Property Rentals

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Definitions

Tangible Personal Property – Personal property that can be seen, weighed, measured, or touched or is in any way perceptible to the senses, including electric power or energy.

Lessor – Owner of tangible personal property who allows the use of a property, in return for a rental payment.

Lessee – Person who uses tangible personal property in return for a rental payment paid to the lessor.

Rental Payment – Payment made directly to the lessor for temporary possession and use of tangible personal property, without the transfer of title to the property.

What is Taxable?

Here are a few examples of tangible personal property rentals that are subject to sales tax and applicable discretionary sales surtax:

- aircraft
- beach umbrellas
- bicycles
- boats
- books, audio tapes
- computers and copiers
- lawn mowers, chainsaws, edgers
- machinery, equipment, and tools
- motor vehicles
- roller skates, ice skates
- sailboats, sailboards
- skis, jet skis, surfboards

What is Not Taxable?

Here are a few examples of tangible personal property rentals that are not subject to sales tax:

- Rental of equipment when the owner furnishes the equipment, operator, and supplies, and contracts their use to work under his direction according to his customer's specifications, and the customer does not take possession of the equipment or have any direction or control over the equipment or its operation.
- Charters of any boat or vessel with a crew for the purpose of fishing.
- Air taxi charters to transport a passenger to a certain destination (passenger does not pilot or take possession of aircraft).
- Motion picture films, when a fee is charged for viewing the films.

All rentals to nonprofit organizations are exempt when the organization presents a current and valid Florida *Consumer's Certificate of Exemption* (Form DR-14) to the lessor.

If you are unsure if your leases or rentals are taxable, contact Taxpayer Services.

Who Must Register to Collect Tax?

If you lease or rent taxable tangible personal property to others, you must register as a dealer to collect and report sales tax. You can register to collect and report tax through our website at www.floridarevenue.com. 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) 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, leases, or rentals of tangible personal property you intend to resell or re-rent as part of your business. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*.

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-1.071, Florida Administrative Code, Renting Tangible Personal Property.

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

- *Sales and Use Tax on Commercial Real Property Rentals* (GT-800016)
- *Sales and Use Tax on Rental of Living or Sleeping Accommodations* (GT-800034)
- *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/Pages/contact.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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