



Sales and Use Tax on Veterinarians and Veterinary Clinics

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Definitions

Drugs, medicinal drugs, and veterinary prescription drugs – means those substances or preparations commonly known as “prescription” or “legend” drugs that are required by federal or state law to be dispensed only by a prescription. The term “veterinary prescription drugs” means those drugs intended solely for veterinary use for which the label of the drug bears the statement: “**Caution:** Federal law restricts this drug to sale by or on the order of a licensed veterinarian.”

Livestock – includes all animals of the equine, bovine, or swine class, including:

- Cattle
- Goats
- Hogs
- Horses
- Mules
- Ostriches
- Sheep
- Other grazing animals raised for commercial purposes

“Livestock” also includes all aquaculture products raised for commercial purposes. See Tax Information Publication (TIP) 15A01-09 issued on June 30, 2015.

Poultry – includes all domesticated birds that serve as a source of food, eggs, or meat.

Therapeutic veterinary diets – means those animal foods that are specifically formulated to aid in the management of illness and disease of a diagnosed health disorder in an animal and are only available from a licensed veterinarian.

Items Sold by Veterinarians

Veterinarians and veterinary clinics that sell, lease, or rent items of tangible personal property, such as the following items are subject to sales tax and discretionary sales surtax:

- Animal foods that are not specifically exempt
- Bedding
- Bowls
- Cages
- Chains
- Clothing
- Collars
- Crates
- Detergents
- Doors
- Feeders
- Gates
- Houses
- Kennels
- Leads
- Leashes
- Pet Carriers
- Soaps
- Tie-outs
- Toys

Substances possessing curative or remedial properties that are not required by federal or state law to be dispensed only by a prescription are subject to tax.

Animal Foods

Sales of the following animal foods are exempt from sales and use tax:

- Therapeutic veterinary diets.
- Animal foods that are required by state or federal law to be dispensed only by a prescription are exempt. This applies to animal foods that are required to carry the following label:
Caution: Federal law restricts this drug to sale by or on the order of a licensed veterinarian.

- Feeds for poultry, ostriches, livestock, racehorses, and dairy cows.
- Food for guide dogs when purchaser provides a *Consumer's Certificate of Exemption for the Blind* (Form DR-152) issued by the Department of Revenue to the selling dealer.

Items Purchased by Veterinarians

Florida sales tax applies to taxable supplies or items purchased tax-exempt and then used by veterinarians and veterinary clinics in providing their professional services. Some examples of common taxable items used by veterinarians are:

- disposable medical restraint collars and muzzles
- identification chips
- rubber gloves

Laboratory supplies used in making diagnoses, such as diagnostic kits, chemical compounds, and x-ray films and developing solutions are taxable. Instruments and equipment purchased by a veterinarian or veterinary clinic for use in the business are also taxable. Items initially purchased tax-exempt for resale to customers (such as pet products and supplies) that are used in the business are subject to Florida use tax.

Items purchased for use in grooming or boarding animals are subject to tax.

For example:

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| • Brushes | • Deodorizers |
| • Cat or dog food (unless specifically exempt) | • Detergents |
| • Clippers | • Nail care items |
| • Colognes | • Shears |
| • Combs | • Soaps |

Disinfectants used to clean kennels, cages, equipment, or other items used for grooming or boarding animals are subject to tax.

Out-of-state Purchases

When taxable items or services are purchased through the Internet, a mail-order catalog company, or purchased in another state and then shipped into Florida, Florida use tax is due when the sales tax paid to another state was less than Florida's sales tax and surtax rate.

Lease or Rental of Commercial Real Property

Florida sales tax is due on the total rent paid for the right to use or occupy commercial real property. For more information, see brochure GT-800016, *Sales and Use Tax on Commercial Real Property Rentals*.

Exemptions

Sales tax does not apply to the following:

- Professional services provided by veterinarians.
- Boarding charges for animals.
- Drugs, medicinal drugs, and veterinary prescription drugs sold or used in connection with the medical treatment of animals.
- Antiseptics, absorbent cotton, gauze for bandages, lotions, hypodermic needles and syringes, vitamins, and worm remedies purchased by veterinarians.
- Germicides used directly on bodies of animals.
- X-ray opaques (radiopaques) such as opaque dyes and barium sulfate.
- Purchases of medical products, supplies, or devices by a licensed veterinarian that must be dispensed under federal or state law only by the prescription or order of a licensed

practitioner and are intended for a single use.

- Purchases of medical products, supplies, or devices by a licensed veterinarian used in the cure, mitigation, alleviation, prevention, or treatment of injury, disease, or incapacity of an animal that are temporarily or permanently incorporated into an animal.
- Commonly recognized substances possessing curative or remedial properties that are ordered and dispensed as treatment for a diagnosed health disorder of an animal. Examples: Transdermal medications, sprays, or powders that prevent or treat flea or tick infestation when purchased, ordered, and dispensed by a licensed veterinarian.

See Rule 12A-1.0215, Florida Administrative Code (F.A.C.), Veterinary Sales and Services.

How Do I Register to Collect Sales Tax?

Veterinarians and veterinary clinics that make retail sales of taxable items must register with the Department. 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 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*. (See brochure GT-800060, *Florida Annual Resale Certificate for Sales Tax*.)

How Is Tax Calculated?

Sales tax is calculated at the time of each transaction. When sales transactions are between whole dollar amounts, use the **bracket system** to calculate tax due when any part of each total sale is less than a whole dollar amount. The tax collected must be calculated on the total amount of the sale. The sales tax and discretionary sales surtax must be separately shown on each invoice or other evidence of the sales transaction. Taxpayers must pay the actual tax collected, which in many cases is more than a straight percentage of the sales or untaxed purchases. To get **bracket rates** for all Florida counties, visit the Department's website and select the Quick Link "Forms and Publications" then go to the Sales and Use Tax category. The first item in that category is a link to all the "Sales Tax Brackets" currently being used in Florida.

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.

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

If you have questions or need assistance, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

To find a **taxpayer service center** near you, visit **floridarevenue.com/taxes/servicecenters**.

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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