



Florida Annual Resale Certificate for Sales Tax

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What's New for 2015 *Florida Annual Resale Certificates for Sales Tax*

- *Florida Annual Resale Certificates for Sales Tax* are available for downloading and printing. You can download or print your certificate as often as you need.
- Signature requirements have been discontinued. The certificate user declares that the items or services being purchased will be resold when the certificate or the certificate number is issued to a seller to make tax-exempt purchases.

Registration

If your business will have taxable transactions, you must register as a sales and use tax dealer before you conduct business in Florida. 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). After your application is approved, you will receive a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13).

Note: The information in this brochure applies only to the *Florida Annual Resale Certificate for Sales Tax* ("Annual Resale Certificate"). It does not apply to the *Florida Annual Resale Certificate for Communications Services Tax* (see *Florida's Communications Services Tax* brochure GT-800011).

An *Annual Resale Certificate* will allow you to make tax-exempt purchases or rentals of property or services for resale. Examples are:

- Resale or re-rental as tangible personal property.
- Re-rental as commercial real property.
- Re-rental as transient rental property.
- Resale of services.
- Incorporation into and sale as part of the repair of tangible personal property by a repair dealer.
- Incorporation as a material, ingredient, or component part of tangible personal property that is being produced for sale by manufacturing, compounding, or processing.

When Not to Use your *Annual Resale Certificate*

An *Annual Resale Certificate* may not be used to make tax-exempt purchases or rentals of property or services that will be used:

- But not resold or re-rented.
- Before selling or renting the goods.
- By your business or for personal purposes.

See the chart provided in this publication listing types of businesses and examples of items that you may purchase or rent tax-free. If you have specific questions about your business, visit your nearest service center or call Taxpayer Services.

Annual Resale Certificates expire each year on December 31.

As long as you are a registered dealer and you are conducting business, an *Annual Resale Certificate* will be issued to you each year. Certificates issued to new business locations beginning in mid-October will be effective from the date they are issued through the following calendar year.

Each November, *Annual Resale Certificates* for the following calendar year will be available on our website for electronic or paper filers. If you file paper sales and use tax returns, your certificate will also be mailed to you with your annual coupon book or your paper return.

Using your tax account information, you may download and print your certificate. Go to **www.floridarevenue.com**, select "more e-Services" and then select "Print an Annual Resale Certificate." If you need assistance, contact Taxpayer Services at 800-352-3671.

Inactive Registered Dealers and Use Tax Dealers

Annual Resale Certificates are issued only to dealers who have a valid sales tax account and whose registration status is *active*, which means the business is open for business and collecting and remitting sales tax to the Department of Revenue. A registered dealer who is on *inactive* status or has only a use tax account will not be issued an *Annual Resale Certificate*.

Consolidated Registrations

Purchasers who file returns on a consolidated basis (80-code account numbers) may use a copy of the current *Annual Resale Certificate* for either the consolidated registration number (80-code number) or the active location reported under the consolidated registration number. Selling dealers may accept either copy from the purchaser.

Purchaser's Responsibility

As a purchaser it is your responsibility to ensure that goods purchased using your *Annual Resale Certificate* are purchased for resale. If the goods purchased for resale are later used (not resold), you are responsible for reporting and paying use tax and surtax on the items.

Penalty

There are civil and criminal penalties for intentional misuse of an *Annual Resale Certificate*. Resale fraud is a third-degree felony subject to a 200 percent penalty. Anyone who, for the purpose of evading tax, uses an *Annual Resale Certificate* or signs a written statement claiming an exemption knowing that tax is due on the property or services at the time of purchase is subject to civil and criminal penalties. As part of the audit process, the Department routinely examines resale transactions and *Annual Resale Certificates* to ensure they are legitimate purchases for resale.

Seller's Responsibility

Other businesses may buy goods from you tax-exempt. Business owners who purchase goods for resale must provide you a copy of their current *Annual Resale Certificate*. You should not accept an *Annual Resale Certificate* if you know or have reason to believe that the goods are purchased for reasons other than those stated on the certificate. For example, a resale certificate from a car dealership should not be accepted for the purchase of office supplies or similar items not normally sold by car dealerships.

Selling Dealer Liability

A selling dealer who accepts a copy of an *Annual Resale Certificate* will not be held liable for tax on the transaction if it is later determined the purchaser was not an active, registered dealer at the time of the transaction.

Signature Requirement Discontinued

Beginning with the 2015 *Annual Resale Certificate*, signatures are no longer required on the certificate. The user certifies that the items or services purchased will be resold when the certificate or the certificate number is issued to a seller to purchase items and services tax-exempt.

Type of business	Purchases that may qualify for resale exemption	Purchases that are generally taxable
Restaurants Bars	Disposable “take-out” food containers, paper napkins, plastic eating utensils, and beverages	Dishes, flatware, kitchen utensils, cleaning supplies, office equipment, office supplies, delivery vehicles, kitchen equipment, credit card machines, and menus
Barber shops Beauty salons	Items for resale to customers for off-premises use, including shampoos, hair tonics, brushes, and cosmetics	Items used in serving customers on-site, including shampoo, brushes, cosmetics, cleaning supplies, hair dryers, curling irons, beautician chairs, scissors, combs, shears, office supplies, and office equipment
Car dealers Auto repair shops Service stations	Tires, batteries, auto parts, seat covers, auto paint, antifreeze, nuts, bolts, and oil available for resale to customers or incorporated into repairs	Hand and power tools, machinery, tape, sandpaper, lubricants, solvents, rags, cleaning supplies, office supplies and equipment, free loaner vehicles, delivery vehicles, wreckers, lifts, and diagnostic equipment
Florists Plant nurseries Landscape gardeners	Fertilizers, flowers, shrubs, potting soil, and garden tools for resale to customers on an itemized invoice	Hoses, garden tools, lawn mowers, rakes, office equipment, supplies used in day-to-day operations, and delivery vehicles
Convenience stores	Soft drinks, candy, beer, t-shirts, hats, kitchen supplies, office supplies, household supplies, cleaning supplies, and motor oil available for resale to customers	Cash registers, business equipment, cleaning supplies, office supplies, gas pumps, credit card machines, and ATMs
Pet shops	Items intended for resale rather than use in business operations, including pet food, pet litter, brushes, and pet dishes	Items for use in day-to-day store operations, including pet food, pet litter, pet dishes, cleaning supplies, office supplies, and office equipment
Service providers, for example: attorneys, accountants, architects, doctors, dentists, daycare centers	None. These types of businesses are generally considered to be the end users of products they use in providing service to customers and generally do not qualify for resale exemption.	Electronics, service vehicles, appliances, office equipment and supplies, books, stationery, computer hardware or software, bandages, mouthwash, toothbrushes, toys, and bedding

Documenting Sales for Resale

As a seller you must document each tax-exempt sale for resale using one of the following methods. You may select a different method to document each sale for resale.

Method 1 – Obtain a copy of your customer’s current *Annual Resale Certificate*. You can accept paper or electronic copies. Maintain copies of the certificates (paper or electronic) for three years.

FLORIDA DEPARTMENT OF REVENUE

2015 Florida Annual Resale Certificate for Sales Tax
THIS CERTIFICATE EXPIRES ON DECEMBER 31, 2015

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Business Name and Location Address Certificate Number

EXAMPLE

By extending this certificate or the certificate number to a selling agreement for purchases of taxable property or services exempt from sales tax and discretionary sales surtax, the person or business named above certifies that the taxable property or services purchased or rented will be resold or re-rented for one or more of the following purposes:

- Resale as tangible personal property.
- Re-rental as tangible personal property.
- Resale of services.
- Re-rental as commercial real property.
- Incorporation into and sale as part of the tangible personal property by a repair dealer.
- Re-rental as transient rental property.
- Incorporation as a material, ingredient, or component part of tangible personal property that is being produced for sale by manufacturing, compounding, or processing.

Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate*.

Method 2 – For each sale, obtain a transaction authorization number using your customer’s *Annual Resale Certificate* number. You do **not** need to maintain a copy of your customer’s *Annual Resale Certificate* number when you maintain a transaction authorization number for a tax-exempt sale for resale.

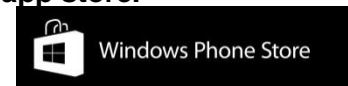
Phone: 877-FL-RESALE (877-357-3725) and enter the customer’s *Annual Resale Certificate* number.

Online: Go to www.floridarevenue.com and select “More e-Services” and then “Verify resale and exemption certificates.” Enter sales tax certificate numbers for verification.

FL Tax mobile app available for iPhone, iPad, Android phones and tablets, and Windows Phone.



Find our free app in your device’s app store.



- Download the free **FL Tax** mobile app from the app store on your mobile device.
- Enter your 13-digit sales tax certificate number in the Seller field. Your number will be validated each time you verify a customer’s certificate number. Once your number is validated, the app can store it for future use.
- Enter your customer’s *Annual Resale Certificate* number in the Buyer field.

- A Valid or Not Valid response will be provided immediately. If the buyer's certificate number is valid, you will receive a transaction authorization number. This number is for a single purchase only, and is not valid for any other purchases made by the same customer.
- A verification response report will be stored in the app as long as your device's memory space permits. This report can be emailed for easy record storage. The report displays the following information:
 - Date and time of transaction
 - Buyer's name (when their certificate is valid)
 - Buyer's sales tax or tax exemption certificate number
 - Verification response short-text indicator (Pass or Fail)
 - Response details including transaction authorization number (when valid)

Keep a record of all verification response reports to document your tax-exempt sales.

The telephone system, the online system, and the mobile app will each issue a transaction authorization number or alert the seller that the purchaser does not have a valid resale certificate. The transaction authorization number is valid for that purchase only, and is not valid for other resale purchases made by the same purchaser. As a seller, you must get a new transaction authorization number for each resale transaction.

Method 3 – Each calendar year, obtain annual vendor authorization numbers for your regular customers.

Online: Go to www.floridarevenue.com and select “More e-Services” and then “Verify resale and exemption certificates.” Upload a batch file for customer certificate verification and retrieve that file 24 hours after submission.

You do **not** need to maintain a copy of your customer's *Annual Resale Certificate* when you maintain a vendor transaction authorization number each calendar year for that customer.

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

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.floridarevenue.com