



## Florida Sales Tax Exemption Period on Children’s Diapers And Baby and Toddler Clothing, Apparel, and Shoes: Frequently Asked Questions for Sales and Use Tax Dealers

### TAX COLLECTION RESPONSIBILITIES

- 1. Am I responsible for correctly exempting qualifying items during the Florida Sales Tax Exemption Period on Children’s Diapers and Baby and Toddler Clothing, Apparel, and Shoes?**  
Yes, you are responsible for correctly exempting qualifying items during the sales tax exemption period. If you have a question about a specific item that is not listed in Tax Information Publication (TIP) No. [22A01-06](#), contact the Florida Department of Revenue at (850) 488-6800.
- 2. What should I do if I mistakenly collect tax on an item that should be exempt from tax during the sales tax exemption period?**  
Sales tax becomes state funds at the moment of collection. You may refund the tax to your customer(s). If the tax cannot be refunded, you must report and pay the tax to the Department.
- 3. What if a customer comes back after the sales tax exemption period for a refund of the tax they inadvertently paid, but I have already remitted the tax to the Department of Revenue?**  
You may refund the tax to the customer. You may take a credit on your next sales and use tax return for the tax refunded to the customer.
- 4. Do I need to account for exempt sales during the sales tax exemption period differently than other tax-exempt sales?**  
No, there are no additional record-keeping requirements.

### REFUNDS/EXCHANGES

- 5. A customer returns an item that was purchased *before* the sales tax exemption period and exchanges it for another item *during* the tax exemption period. The new item is exempt from tax during the tax exemption period. Do I give the customer a tax refund?**  
Yes. You must have documentation (e.g., receipts or invoices) showing that tax was paid on the item at the time of the original purchase.
- 6. If a customer returns a qualifying exempt item and is given an item of equal price after the sales tax exemption period, is sales tax due on the new item?**  
If a customer buys an eligible item during the sales tax exemption period and later exchanges it for another tax-exempt item, no tax will be due, even after the tax exemption period expires.

If a customer buys an eligible item during the sales tax exemption period and later returns the item and receives credit toward the purchase of an item that did not qualify for the exemption, sales tax will apply to the new purchase.

### SHIPPING CHARGES

#### 11. How does sales tax apply toward shipping charges for items purchased by remote sales (by mail order or through a catalog or the internet)?

Shipping charges separately stated on a customer's invoice are part of the sales price of each item listed on the sales invoice. You must proportionately allocate the shipping charges among the items ordered. The amount of each item is divided by the total amount of all the items ordered to obtain the percentage that each item bears towards the total order. Multiply the total shipping charge by the percentage for each item to determine the amount of the shipping charge applicable to each item.

**Example 1:** A customer orders a \$20 pair of toddler shoes and a \$10 toddler T-shirt, for a total of \$30, during the Florida Sales Tax Exemption Period on Children's Diapers and Baby and Toddler Clothing, Apparel, and Shoes. The shipping charge is \$6.

Toddler Shoes:

Cost of toddler shoes ÷ total cost:  $\$20 \div \$30 = 66.7\%$

Shipping charge for toddler shoes:  $66.7\% \times \$6 = \$4$

Total sales price for the toddler shoes:  $\$20 + \$4 = \$24$

Toddler T-shirt:

Cost of T-shirt ÷ total cost:  $\$10 \div \$30 = 33.3\%$

Shipping charge for T-shirt:  $33.3\% \times \$6 = \$2$

Total sales price for the toddler T-shirt:  $\$10 + \$2 = \$12$

Because of the Florida Sales Tax Exemption Period on Children's Diapers and Baby and Toddler Clothing, Apparel, and Shoes, the sales prices (including shipping) of the toddler shoes (\$24) and the toddler T-shirt (\$12) are exempt from sales tax.

**Example 2:** A customer orders a \$60 bulk-quantity pack of children's diapers and a \$10 pack of baby wipes, for a total of \$70, during the Florida Sales Tax Exemption Period on Children's Diapers and Baby and Toddler Clothing, Apparel, and Shoes. The shipping charge is \$10.

Children's Diapers:

Cost of diapers ÷ total cost:  $\$60 \div \$70 = 85.7\%$

Shipping charge for diapers:  $85.7\% \times \$10 = \$8.57$

Total sales price for the diapers:  $\$60 + \$8.57 = \$68.57$

Baby Wipes:

Cost of baby wipes ÷ total cost:  $\$10 \div \$70 = 14.3\%$

Shipping charge for baby wipes:  $14.3\% \times \$10 = \$1.43$

Total sales price for the baby wipes:  $\$10 + \$1.43 = \$11.43$

Because of the Florida Sales Tax Exemption Period on Children’s Diapers and Baby and Toddler Clothing, Apparel, and Shoes, the total sales price (including shipping) of the diapers is exempt from sales tax. However, because the baby wipes are not exempt, they are now taxable at \$11.43.

### **MERCHANT’S LICENSE OR OTHER FEES (TWO CITIES IN BAY COUNTY ONLY)**

#### **12. How do I handle the 1% merchant’s license fee (sometimes referred to as a gross receipts fee) in Panama City or Panama City Beach during the sales exemption period?**

When stores located in these two cities charge customers the 1% fee, it is part of the sales price subject to sales tax, even when the fee is separately stated on a receipt or invoice.

##### **Example of item sold in Panama City:**

Price of children’s diapers	\$60.00
1% merchant’s license fee	<u>+ \$0.60</u>
Total price	\$60.60

The total amount, \$60.60, is exempt from sales tax.

### **ADDITIONAL INFORMATION**

#### **13. I didn’t see my question listed here. Where can I find additional information about the Florida Sales Tax Exemption Period on Children’s Diapers and Baby and Toddler Clothing, Apparel, and Shoes?**

If you have a question about a specific item that is not listed in TIP No. [22A01-06](#), contact the Florida Department of Revenue at (850) 488-6800.

#### **14. I heard there were several sales tax holidays this year. Where can I find more information about the other holidays?**

House Bill 7071 from the 2022 regular legislative session was signed into law on May 6, 2022. The new law contains ten tax relief holidays and specifies the timeframe for each holiday. For a printable calendar of the tax relief holidays, you can visit our website: [Florida Dept. of Revenue - Sales Tax Holidays and Exemption Periods \(floridarevenue.com\)](#).