



Sales and Use Tax on Boats Information for Owners and Purchasers

Planning to buy a boat in Florida, or have plans to bring one into Florida? The Florida Department of Revenue reminds you that tax compliance is an important aspect of boat ownership.

What is Taxable?

Sales and Use Tax

All boats sold, delivered, used, or stored in Florida are subject to Florida's sales and use tax, plus any applicable discretionary sales surtax, unless exempt. Florida boat dealers and brokers are required to collect tax from the purchaser at the time of sale or delivery.

When a boat is sold by someone other than a registered boat dealer, or a boat is brought into Florida for use in Florida, Florida use tax is due. The "use" part of Florida's sales and use tax provides uniform taxation of items. Florida's 6% use tax, plus any applicable discretionary sales surtax, is due on a boat used or stored in Florida when:

- The boat is purchased from a person who is not a registered boat dealer and the sale or delivery of the boat occurs in Florida;
- The boat is purchased in another state, a territory of the United States, or the District of Columbia and is brought into Florida within six (6) months of the purchase date; or
- The boat is purchased in a foreign country and is brought into Florida at any time.

When the purchaser does not pay Florida sales and use tax to the seller for a boat purchase, any sales and use tax, plus any applicable discretionary sales surtax, is paid to the county tax collector, licensed private tag agency, or the Department of Highway Safety and Motor Vehicles when registering the boat in Florida.

Discretionary Sales Surtax

Most counties impose a local option discretionary sales surtax. The surtax is due when the boat is delivered by the dealer or broker to a county that imposes a surtax. The surtax is also due when the boat is purchased from an individual and the boat is used in a county imposing a surtax.

Discretionary sales surtax applies to the first \$5,000 of the purchase price. Current discretionary sales surtax rates for all counties are listed on Form DR-15DSS, *Discretionary Sales Surtax Information*, posted at floridarevenue.com/forms in the Discretionary Sales Surtax section.

Maximum Tax

The maximum tax on the sale of a boat or vessel is **\$18,000**. This includes both sales and use tax and discretionary sales surtax. For more information and detailed instructions on this maximum tax, see Tax Information Publication (TIP) 10A01-07 issued on June 22, 2010, at floridarevenue.com/taxes/tips.

The maximum tax on the repair of a boat or vessel is **\$60,000**. This cap is to be applied to each boat repair occurring in Florida. Subsequent and separate repairs are each subject to their own \$60,000 cap. For more information and detailed instructions on this maximum tax, see TIP 15A01-07 issued on June 26, 2015. TIPs are posted at floridarevenue.com/taxes/tips.

Trade-In Allowance

Registered boat dealers and brokers may deduct a trade-in allowance from the purchase price of the boat when, in a single transaction, tangible personal property (not real property) is traded as part of the purchase of a boat. If the sale is between individuals, the purchaser must, in a single transaction, trade a boat, motor vehicle, mobile home, or aircraft for the boat being purchased.

Credit for Tax Paid

A credit against any Florida sales and use tax or surtax due on a boat is allowed to any purchaser who provides documentation that a like tax has been lawfully imposed and paid to another state, a territory of the United States, or the District of Columbia.

Example: If you purchase a boat in a state that has a sales tax rate of 4%, you must pay an additional 2% when you bring the boat into Florida, plus any applicable discretionary sales surtax. The maximum tax of \$18,000 will apply.

When is Tax Due?

Unless exempt, a boat must be licensed, titled, or registered in Florida with any county tax collector, licensed private tag agency, or the Department of Highway Safety and Motor Vehicles:

- Within 30 days of the purchase date or the date the boat entered Florida; or
- Within 90 days after the boat enters Florida, when the boat is documented, licensed, titled, or registered in another state.

Florida use tax, plus any applicable discretionary sales surtax, due on a boat purchased in Florida or brought into Florida within six (6) months of the date of purchase, is paid at the time of licensing, titling, or registering the boat in Florida.

Specific Exemptions

Boats Sold to Nonresidents

A boat sold by or through a registered dealer or broker to a purchaser who is a nonresident of Florida at the time of taking delivery of the boat in Florida is exempt. This exemption applies to the sale of a boat, including any accessories, but does not apply to the sale of a boat trailer.

The nonresident purchaser must meet the following requirements:

- The nonresident purchaser must sign an affidavit stating that he or she has read the law and rules regarding the specific exemption claimed and agrees to remove the boat from Florida. A suggested format for the required affidavit is provided in Rule 12A-1.007(9), Florida Administrative Code.
 - A boat of less than 5 net tons of admeasurement must leave Florida within 10 days of purchase or immediately be placed in the care, custody, and control of a registered repair facility for repairs, additions, or alterations. The boat must leave Florida within 20 days after completion of the repairs.
 - If the boat is 5 net tons of admeasurement or larger, the purchaser may obtain a set of Florida Department of Revenue boat decals, which authorize the boat to remain in Florida waters up to 90 days after the purchase. This period may be extended to 180 days with the purchase of a 90-day extension decal. The decals must be obtained from the selling dealer or broker.
- Within 30 days of the date of sale, the dealer or broker must provide the Department with a copy of the invoice, bill of sale, and/or closing statement, and the original signed affidavit provided by the nonresident purchaser.
- Within 30 days of removing the boat from Florida, the nonresident purchaser must furnish the Department with proof that the boat left Florida. Receipts for fuel, dockage, or repairs purchased outside Florida must identify the boat.
- Within 90 days of removal, the nonresident purchaser must provide the Department with written documentation evidencing that the boat was documented, licensed, titled, or registered outside Florida or documentation that the nonresident purchaser has applied for documentation, licensing, titling, or registration of the boat.

This exemption does not apply to a Florida resident, an entity in which the controlling person is a Florida resident, or a corporation in which any officers or directors are Florida residents.

Documentation must be mailed to:

General Tax Administration
Boats – MS 1-2800
Florida Department of Revenue
PO Box 6417
Tallahassee FL 32314-6417

Foreign-Flagged Vessels

Foreign-flagged vessels or boats holding a valid "License to Cruise in the Waters of the United States" issued by the United States Customs Service pursuant to 19 Code of Federal Regulations 4.94 are not subject to Florida use tax.

Boats Imported for Sale

A boat that is brought into Florida for the sole purpose of sale at retail by a registered boat dealer or broker is exempt from Florida use tax. The boat must be under the care, custody, and control of the dealer or broker, and personal use of the boat is **not** permitted while it is in Florida.

Boats Temporarily Docked in Florida

When Florida sales or use tax has not been paid on a boat brought into Florida, the boat is not subject to Florida use tax when the boat remains in a Florida registered facility that rents dockage or slippage for a period not to exceed a total of 20 days in any calendar year. The 20-day period begins on the day the boat is docked at the facility.

If the boat enters Florida for repairs or modifications at a registered repair facility, the boat may remain in Florida tax-exempt until the repairs or modifications are completed. The 20-day period stops while the boat is being repaired or modified. Once the repairs are complete, the owner has the balance of the 20-day period to remove the boat from Florida.

Storage of a boat at a registered repair facility does not qualify for tolling of the 20-day time period.

Penalty and Interest

Anyone who purchases a boat and obtains a tax exemption as a nonresident purchaser is subject to Florida use tax, discretionary sales surtax, interest, and penalties (including a mandatory penalty equal to the tax) when:

- A boat that bears a decal set remains in Florida after the expiration of the decal;
- A boat that does not bear a decal set and is not in a Florida registered repair facility remains in Florida more than 10 days from the date of purchase;
- A boat that does not bear a decal set and that was in a Florida registered repair facility remains in Florida more than 20 days from the date the repairs or alterations were completed;
- A boat returns to Florida within six (6) months from the date of departure, is not placed in a Florida registered repair facility, and stays in Florida more than 20 days; or
- The nonresident purchaser does not furnish the Department with the required documentation.

A purchaser who attempts to evade tax by submitting a fraudulent affidavit is subject to the tax due, interest, and a mandatory 200% penalty (according to section 213.29, Florida Statutes). The purchaser is also subject to a fine of up to \$5,000 and up to five (5) years in prison.

Reference Material

Tax Laws – The Department's online Revenue Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. The Revenue Law Library can be found under the Quick Links on the Department's homepage at floridarevenue.com.

Brochures – Download these brochures at floridarevenue.com/forms:

- *Florida Sales and Use Tax* (GT-800013)
- *Discretionary Sales Surtax* (GT-800019)
- *Sales and Use Tax on Boats – Information for Dealers and Brokers* (GT-800006)

Information, forms, and tutorials are available at floridarevenue.com.

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

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

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