



2023 Florida Freedom Summer Sales Tax Holiday: Frequently Asked Questions for Sales and Use Tax Dealers

TAX COLLECTION RESPONSIBILITIES

1. What are the dates and items included in the 2023 Florida Freedom Summer Sales Tax Holiday?

The tax holiday begins on Monday, May 29, 2023, and ends on Monday, September 4, 2023.

A list of items that are exempt from tax during the sales tax holiday is provided in Tax Information Publication (TIP) No. [23A01-03](#). These include:

- **Admissions**

- Live music events*+
- Live sporting events*
- Movies*
- Museum entry, including annual passes
- State park entry, including annual passes
- Ballets*+
- Plays*+
- Musical theater performances*+
- Fairs*
- Festivals*
- Cultural events*
- Private and membership clubs providing physical fitness facilities*

** To be held on any date(s) from May 29, 2023, through December 31, 2023*

+ Including season tickets

- **Boating and Water Activity Supplies**

- The following items with a sales price of \$500 or less:
 - Canoes
 - Kayaks
- The following items with a sales price of \$300 or less:
 - Paddleboards
 - Surfboards
- The following items with a sales price of \$150 or less:
 - Water skis
 - Wakeboards

- Kneeboards
 - Recreational inflatable water tubes or floats capable of being towed
 - The following items with a sales price of \$75 or less:
 - Life jackets
 - Coolers
 - Paddles
 - Oars
 - The following items with a sales price of \$50 or less:
 - Safety flares
 - The following items with a sales price of \$35 or less:
 - Recreational pool tubes
 - Pool floats
 - Inflatable chairs
 - Pool toys
 - The following items with a sales price of \$25 or less:
 - Snorkels
 - Goggles
 - Swimming masks
 - **Camping Supplies**
 - The following items with a sales price of \$200 or less:
 - Tents
 - The following items with a sales price of \$50 or less:
 - Sleeping bags
 - Portable hammocks
 - Camping stoves
 - Collapsible camping chairs
 - The following items with a sales price of \$30 or less:
 - Camping lanterns
 - Flashlights
 - **Fishing Supplies***
 - The following items with a sales price of \$150 or less:
 - Rods and reels, if sold as a set
 - The following items with a sales price of \$75 or less:
 - Rods and reels, if sold individually
 - The following items with a sales price of \$30 or less:
 - Tackle boxes or bags
 - The following items with a sales price of \$10 or less:
 - Bait or fishing tackle, if multiple items are sold together
 - The following items with a sales price of \$5 or less:
 - Bait or fishing tackle, if sold individually
- * Does not include supplies used for commercial fishing purposes.*

- **General Outdoor Supplies**
 - The following items with a sales price of \$500 or less:
 - Bicycles
 - The following items with a sales price of \$250 or less:
 - Outdoor gas or charcoal grills
 - The following items with a sales price of \$200 or less:
 - Binoculars
 - The following items with a sales price of \$100 or less:
 - Sunglasses
 - The following items with a sales price of \$50 or less:
 - Hydration packs
 - Bicycle helmets (bicycle helmets marketed for use by youth are permanently exempt)
 - The following items with a sales price of \$30 or less:
 - Water bottles
 - The following items with a sales price of \$15 or less:
 - Sunscreen
 - Insect repellent
- **Residential Pool Supplies**
 - The following items with a sales price of \$150 or less:
 - All residential pool and spa chemicals purchased by an individual
 - The following items with a sales price of \$100 or less:
 - Individual residential pool and spa replacement parts, nets, filters, lights, and covers
- **Children’s Athletic Equipment**
 - Consumer products with a sales price of \$100 or less that are designed or intended by the manufacturer for a child 12 years of age or younger for use in an athletic activity
- **Children’s Toys**
 - Consumer products with a sales price of \$75 or less that are designed or intended by the manufacturer for a child 12 years of age or younger for use by the child when the child plays

2. Am I responsible for correctly exempting qualifying items during the sales tax holiday?

Yes, you are responsible for correctly exempting qualifying items during the tax holiday. If you have a question about a specific item that is not listed in Tax Information Publication (TIP) No. [23A01-03](#), contact the Florida Department of Revenue at (850) 488-6800.

3. Do I collect the local discretionary tax on the items that are exempt from sales tax during the holiday period?

No. When an item is exempt from sales tax, it is also exempt from discretionary sales surtax. During the holiday period, you will not collect the state sales tax or local option discretionary sales surtax on sales of eligible items.

4. What should I do if I mistakenly collect tax on an item that should be exempt from tax during the sales tax holiday?

Sales tax becomes state funds at the moment of collection. You should refund the tax to your customer(s). If the tax cannot be refunded, you must report and pay the tax to the Department.

5. What if a customer comes back after the sales tax exemption for a refund of the tax they inadvertently paid, but I have already remitted the tax to the Department of Revenue?

You should refund the tax to your customer. You may take a credit on your next sales and use tax return for the tax refunded to the customer.

NON-EXEMPT ITEMS

6. When tax-exempt items are normally sold together with taxable items as a set or single unit, is the entire set still subject to sales tax?

Yes. For example, a camping stove is sold for \$50 in a package that includes a canister of camping fuel. Although the camping stove would qualify for the exemption if sold separately during the sales tax holiday, the camping fuel does not qualify. The full sales price of \$50 is taxable.

7. What other types of items are not exempt?

The 2023 Florida Freedom Summer Sales Tax Holiday does not apply to rentals of any eligible items, or to sales in a theme park, entertainment complex, public lodging establishment, or airport.

In addition, if the original purchaser of an admission subsequently resells the admission, the original purchaser must collect sales tax on the full sales price of the resold admission.

REFUNDS/EXCHANGES

8. A customer returns an item that was purchased before the sales tax holiday and exchanges it for another item during the sales tax holiday. The new item is exempt from tax during the sales tax holiday. 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.

9. If a customer returns a qualifying exempt item and is given an item of equal price after the sales tax holiday, is sales tax due on the new item?

If a customer buys an eligible item during the sales tax holiday and later exchanges it for another tax-exempt item, no tax will be due, even after the tax holiday expires.

If a customer buys an eligible item during the sales tax holiday 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.

RECORDS AND REPORTING

10. Do I need to account for exempt sales during a sales tax holiday differently than other tax-exempt sales?

No. There are no additional record-keeping requirements.

BUY ONE, GET ONE FREE SPECIALS

- 11. If my store is offering a “buy one, get one free” or “buy one, get one for a reduced price” special on a qualifying item, do I average the price to determine the amount to tax to collect? For example, I am selling collapsible camping chairs “buy one, get one free” for \$100, will the transaction be tax-free because I am effectively selling each chair for \$50?**

The total price of items advertised as “buy one, get one free” or “buy one, get one for a reduced price” cannot be averaged for both items to qualify for the exemption. In this case, sales tax is due on the \$100 sales price of the collapsible camping chair.

GIFT CARDS

- 12. If the customer purchases a gift card during the sales tax holiday, can the customer then purchase a qualifying item tax-exempt using the gift card after the tax holiday ends?**

No. The purchase of the qualifying item must be made during the sales tax holiday to be tax-exempt. However, when qualifying items are purchased during the tax holiday using a gift card, the items are tax-exempt; it does not matter when the gift card was purchased.

RAIN CHECKS

- 13. If a store issues a rain check during the sales tax holiday, can the customer use it after the sales tax holiday to purchase the item tax-exempt?**

No. The purchase of the qualifying item must be made during the sales tax holiday to be tax-exempt. When a rain check is issued, a sale has not occurred. The sale occurs when the rain check is redeemed, and the item is purchased.

LAYAWAY ITEMS

- 14. If the customer places an item on layaway, is it eligible for the tax exemption during the sales tax holiday?**

Yes. A layaway is when an item is set aside for a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and receives the merchandise at the end of the payment period. Qualifying items placed on layaway during the sales tax holiday are tax-exempt, even if final payment of the layaway is made after the tax holiday. If a customer makes a final payment and takes delivery of the items during the tax holiday, the qualifying items are tax-exempt.

REMOTE SALES (MAIL ORDER, CATALOG, AND INTERNET)

- 15. Do the exemptions during the sales tax exemption apply to remote sales?**

Yes. All remote sales (mail order, catalog, or internet) of qualifying items during the sales tax holiday are tax-exempt when the order is accepted during the sales tax holiday for immediate shipment, even if delivery is made after the tax holiday.

An order is accepted by the remote seller when action has been taken to fill the order for

immediate shipment. Actions to fill an order include assigning an order number to a telephone order, confirming an internet order by an email to the customer, or placing a date received on an order received by mail.

An order is considered to be for immediate shipment when delayed shipment is not requested by the customer. An order is for immediate shipment even if the shipment may be delayed because of a backlog of orders or stock is currently unavailable or on back order.

SHIPPING CHARGES

16. How does sales tax apply toward shipping charges for items purchased by remote sale (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 to 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: A customer orders a \$30 flashlight and a \$42 cooler, for a total of \$72, during the sales tax holiday. The shipping charge is \$10.

Flashlight:

Cost of flashlight ÷ total cost: $\$30 \div \$72 = 41.67\%$

Shipping charge for flashlight: $46.17\% \times \$10 = \4.17

Total sales price for the flashlight: $\$30 + \$4.17 = \$34.17$

Cooler:

Cost of cooler ÷ total cost: $\$42 \div \$72 = 58.33\%$

Shipping charge for cooler: $58.33\% \times \$10 = \5.83

Total sales price for the cooler: $\$42 + \$5.83 = \$47.83$

Because flashlights must sell for \$30 or less to qualify for the tax exemption, the total sales price of the flashlight (\$34.17) is taxable. However, because coolers must sell for \$75 or less to qualify for the tax exemption, the total sales price of the cooler (\$47.38) is exempt.

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

17. 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 a sales tax exemption?

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:

Price of flashlight \$29.00

1% merchant’s license fee + \$0.29

Total price \$29.29

The total price of the flashlight is less than \$30, so it is exempt from sales tax.

COUPONS, DISCOUNTS, AND REBATES

18. Why does a store discount coupon reduce the sales price of a qualifying item, but a manufacturer's coupon or rebate does not?

The sales price of an item includes all consideration received by the retail seller for that item. The price of an item is not limited to the amount paid by a customer. A coupon, discount, or rebate offered by the retail seller reduces the sales price of an item because it reduces the total amount received by the retail seller for the item.

When a retail seller is reimbursed for the amount of any discount created by a manufacturer's coupon, discount, or rebate, the amount of the reimbursement is included in the taxable sales price of the item.

Manufacturer's coupon example: During the sales tax holiday, a pair of sunglasses sells for \$101. The customer uses a \$2 manufacturer's coupon when purchasing the sunglasses. Although the customer pays \$99 for the sunglasses, the retail seller's sales price remains \$101 because the seller will receive a total of \$101 for the item: \$99 from the customer and \$2 from the manufacturer. Because the price limit for sunglasses to qualify for the exemption is \$100, the retail seller collects sales tax on the total amount (\$101).

Manufacturer's rebate example: During the sales tax holiday, a flashlight sells for \$31. The manufacturer is offering a \$5 instant rebate that is redeemed when a flashlight is purchased from the retail seller. Although the customer pays \$26, the retail seller's sales price remains at \$31 because the seller will receive a total of \$31 for the item: \$26 from the customer and \$5 from the manufacturer. Because the price limit for a flashlight to qualify for the exemption is \$30, the retail seller collects sales tax on the total amount (\$31).

Store discount coupon example: During the sales tax holiday, a charcoal grill sells for \$275. The retail seller is offering a 10% discount. After applying the 10% discount, the discounted sales price for the charcoal grill is \$247.50. Because outdoor gas or charcoal grills that sell for \$250 or less qualify for the sales tax exemption, the grill is exempt.

ADDITIONAL INFORMATION

19. Who is responsible for determining which items are exempt and which aren't?

The 2023 Florida Freedom Summer Sales Tax Holiday is established through the lawmaking authority of the Florida Legislature. Sales tax holidays, and the items exempted by the holiday, must be passed into law by the Legislature.

20. How can I request that a certain type of product be added to the list?

Sales tax holidays, and the items exempted by them, are passed into law by the Florida Legislature. You may wish to contact your local representative regarding your suggestion. You can find your representative at www.myfloridahouse.gov.

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

House Bill 7063 from the 2023 regular legislative session was signed into law on May 25, 2023. The law contains six 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 - Tax Holidays and Exemption Periods \(floridarevenue.com\)](https://www.floridarevenue.com/TaxHolidays).