



2023-24 Florida Gas Ranges and Cooktops Sales Tax Holiday: Frequently Asked Questions for Sales and Use Tax Dealers

TAX COLLECTION RESPONSIBILITIES

1. What happens during the 2023-24 Florida Gas Ranges and Cooktops Sales Tax Exemption?

During the Florida Gas Ranges and Cooktops Sales Tax Holiday, you may purchase gas ranges and cooktops exempt from sales tax on retail sales. "Gas ranges and cooktops" refers to any gas range or cooktop fueled by combustible gas such as natural gas, propane, butane, liquefied petroleum (LP) gas, or other flammable gas. It does not include outdoor gas grills*, camping stoves* or other portable stoves.

**Certain outdoor gas grills and camping stoves are exempt during "Freedom Summer" sales tax holiday, May 29, 2023 through September 4, 2023. Refer to TIP #23A01-xx for more information.*

The one-year tax exemption period begins on Saturday, July 1, 2023, and ends on Sunday, June 30, 2024.

2. Am I responsible for correctly exempting qualifying items during the Florida Gas Ranges and Cooktops Sales Tax Holiday?

Yes, you are responsible for correctly exempting qualifying items during the tax exemption period which begins **July 1, 2023 and ends June 30, 2024**. If you have a question about a specific item that is not listed in Tax Information Publication (TIP) No. [23A01-05](#), 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 holiday 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 the customer. You may take a credit on your next sales and use tax return for the tax refunded to the customer.

REFUNDS/EXCHANGES

6. 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 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.

7. 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 the same item (e.g., different size or different color), no tax will be due, even after the tax exemption period 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 does not qualify for the exemption, sales tax will apply to the new purchase.

RECORDS AND REPORTING

8. 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.

GIFT CARDS

9. 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

10. 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

11. 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)

12. Do the exemptions during the sales tax holiday 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

13. How does sales tax apply toward shipping charges for items purchased 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 \$2,000 natural gas cooktop and a \$1,500 bathroom vanity, for a total of \$3,500, during the Florida Gas Ranges and Cooktops Sales Tax Holiday. The shipping charge is \$150.

Cooktop:

Cost of cooktop ÷ total cost: $\$2,000 \div \$3,500 = 57.14\%$

Shipping charge for cooktop: $57.14\% \times \$150 = \85.71

Total sales price for the cooktop: $\$2,000 + \$85.71 = \$2,085.71$

Bathroom Vanity:

Cost of vanity ÷ total cost: $\$1,500 \div \$3,500 = 42.86\%$
Shipping charge for vanity: $42.86\% \times \$150 = \64.29
Total sales price for the vanity: $\$1,500 + \$64.29 = \$1,564.29$

Because of the Florida Gas Ranges and Cooktops Sales Tax Holiday, the total sales price (including shipping) of the natural gas cooktop is tax-exempt. However, the bathroom vanity is not tax-exempt, and sales tax is owed on the total sales price and the shipping charge (\$1,564.29).

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

14. How does a business 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 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 of item sold in Panama City:

Price of natural gas range	\$2,600.00
1% merchant's license fee	<u>+ \$26.00</u>
Total price	\$2,626.00

The total amount, \$2,626.00, is exempt from sales tax.

ADDITIONAL INFORMATION

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

The 2023 Florida Gas Ranges and Cooktops 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.

16. 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.

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

House Bill 7073 from the 2023 regular legislative session was signed into law on May 25, 2023. The new 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 – Sales Tax Holidays \(floridarevenue.com/salestaxholidays\)](http://Florida Dept. of Revenue – Sales Tax Holidays (floridarevenue.com/salestaxholidays)).