# AGENDA

FLORIDA DEPARTMENT OF REVENUE

Meeting Material Available on the web at:
http://floridarevenue.com/opengovt/Pages/meetings.aspx

MEMBERS
Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jimmy Patronis
Commissioner Adam H. Putnam

December 4, 2018

Contacts: Debra J. Longman
Director of Legislative and Cabinet Services
(850) 617-8324

MaryAnn Murphy, Executive Asst. II
(850) 717-7138

9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

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<th>ITEM</th>
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<td>1.</td>
<td>Respectfully request approval of the minutes of the August 14, 2018 Cabinet meeting.</td>
<td>(ATTACHMENT 1) RECOMMEND APPROVAL</td>
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<td>2.</td>
<td>Respectfully request approval to file and certify with the Secretary of State for final adoption under Chapter 120, Florida Statutes, rules relating to General Tax Administration.</td>
<td>(ATTACHMENT 2) RECOMMEND APPROVAL</td>
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<td>3.</td>
<td>Respectfully request approval to file and certify with the Secretary of State for final adoption under Chapter 120, Florida Statutes, rules relating to Property Tax Oversight.</td>
<td>(ATTACHMENT 3) RECOMMEND APPROVAL</td>
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<td>4.</td>
<td>Respectfully request approval of and authority to publish Notice of Proposed Rule in the Florida Administrative Register, for rules relating to General Tax Administration.</td>
<td>(ATTACHMENT 4) RECOMMEND APPROVAL</td>
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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER JIMMY PATRONIS
COMMISSIONER OF AGRICULTURE ADAM PUTNAM

DATE: TUESDAY, AUGUST 14, 2018

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER
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* * * * *
GOVERNOR SCOTT: Next we recognize Leon Biegalski with the Department of Revenue.

Thanks for your hard work, Leon.

EXECUTIVE DIRECTOR BIEGALSKI: Good morning, Governor Scott, Attorney General Bondi, CFO Patronis, Commissioner Putnam.

The Department has got -- has eight items for you today.

Item Number 1, the Department respectfully requests approval of the minutes of the June 13th, 2018 --

GOVERNOR SCOTT: Is there a motion on the item?

CFO PATRONIS: So move.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR BIEGALSKI: With your approval, we can take Items 2, 3, and 4 together.

GOVERNOR SCOTT: Yes.
EXECUTIVE DIRECTOR BIEGALSKI: The Department respectfully requests approval to file and certify with the Secretary of State for final adoption under Chapter 120 of the Florida Statutes rules related to general tax administration, property tax oversight, and child support.

GOVERNOR SCOTT: Is there a motion for Items 2, 3, and 4?

ATTORNEY GENERAL BONDI: Agreed.

GOVERNOR SCOTT: Is there a second?

CFO PATRONIS: Second.

GOVERNOR SCOTT: Comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

CFO PATRONIS: Likewise, we can do Items Number 5 and 6 together.

The Department respectfully requests approval of an authority to publish notices of proposed rule in the Florida Administrative Register for rules related to general tax administration and property tax oversight.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So move.
GOVERNOR SCOTT: Is there a second?
CFO PATRONIS: Second.
GOVERNOR SCOTT: Comments or objections?
(NO RESPONSE).
GOVERNOR SCOTT: Hearing none, the motion carries.
EXECUTIVE DIRECTOR BIEGALSKI: Okay. Item Number 7, the Department respectfully requests -- sorry -- respectfully submits the Agency's Fourth Quarter Performance Report for fiscal year 2017/2018. The Department continues to meet or exceed all measures with an overall weighted score of 3.15.
GOVERNOR SCOTT: Is there a motion?
ATTORNEY GENERAL BONDI: So move.
GOVERNOR SCOTT: Is there a second?
CFO PATRONIS: Second.
GOVERNOR SCOTT: Comments or objection or questions?
(NO RESPONSE).
GOVERNOR SCOTT: Hearing none, the motion carries.
EXECUTIVE DIRECTOR BIEGALSKI: Again, moving on to Item Number 8, the Department respectfully submits the Annual Performance Review and
Leadership Assessment. If I could, I'll take a couple of minutes to talk about that.

So it's been my honor to lead the Department for a little over two years now. I know you've all heard me say this before, but I say it every chance I get: The Department is guided by four principles: Communication, clarity, consistency, and compliance. It's my belief that whether it's business owners or parents or our team members, if people know what's expected of them, they can then plan accordingly in order to meet those expectations.

Some of the improvements that we've dealt with overall have to do with our leadership teams across the Department, trying to break down some of the silos that existed, also encouraging open communication across all areas of the Department, and then trying to promote enterprise-wide thinking as we make decisions.

By doing this, we've been able to I think allow the outward-facing programs to focus more on the core functions and allow the support programs, if you will, to do what it is that they do best.

Going to the performance -- the objective
performance measures themselves. For the year, our overall weighted score was 3.15. Last year it was 3.5; but if you will recall, last year we had several -- we had a couple of measures that we had consistently been hitting fives on. So we took those measures out of play, put some new measures in there that were intended to try to stretch us; and they are doing that. But we are meeting or exceeding in those particular areas.

Some of the challenges: One I mentioned last year, and I don't think this is a shock to anybody at any agency, some of it has to do with recruitment and retention. Last year I mentioned that over the course of the last year, we put teams together. We came up with a recruitment and retention plan; and over the course of this year, we're starting to work on implementing some of the elements of those plans.

One of the others is to make sure that we are investing in technology resources. We're continually evaluating ourselves to make sure that we are in the best position with that. Those things, you'll see a little bit more detail from me next month when we come back before you for our LBR issues and also legislative concepts.
A couple of the other things that I just wanted to mention, some of the other things I talked about were related to our internal -- our operational efficiencies; but there are some accomplishments for the outward-facing programs that I wanted to hit on.

This year the Department was awarded -- or earned five prudential productivity awards. One of those was in the child support program, and it actually is related to employee retention. They piloted an internal transfer program, which allowed us to fill positions a little bit more quickly; and then also gave employees some flexibility, and also added to the breadth of the knowledge that they have within the program.

One of the other things for child support is that parents are now able to apply for services completely online. So since we went live with that in October of 2017, we've received over 13 thousand applications just purely online.

And then one of the other things to point out for the child support program is that over the last several years we've actually received a larger share of the Federal Performance Incentive Funds because of our success in both collections and
distributions compared to the other states.

I'll move on to general tax administration. Within that program, we earned three prudential awards. One was for the implementation of some additional automated features to improve customer service tracking and also response time. Another one was related to an enhancement -- a further enhancement of protection of taxpayers' personal identifying information.

And then the third is related to our partnership with SCORE, formerly known as the Service Corps of Retired Executives. That program is designed for taxpayer education and also trying to promote business success.

With them we have partnered -- among other things, we've partnered on four very successful, highly participated in, and subsequently viewed webinars. And it's geared toward any of the taxpayers, but we get a lot of newly registered -- newly registered taxpayers. And that particular program was actually recognized recently on a national level with an award from the Federation of Tax Administrators.

And then while we're on the topic of education, the General Tax Administration Program
also created the education and outreach process. Again, that's about trying to get the word out.

We're proactively contacting newly registered taxpayers trying to make sure that, as they're filling things out, they're doing it accurately, trying to make sure they understand the obligations, the timelines for which they have to file in an effort to try to make sure they're voluntary compliance comes a lot easier to them.

And then finally, as it relates to property tax oversight, among other things, we've provided almost 28,000 hours worth of training this past year to property appraisers, tax collectors, and staff.

So having said that, I'm proud of the team and all we've accomplished to improve customer relations, also increase internal operational efficiencies. And I'm appreciative of the ability to sit here and not talk about me but talk about the team itself and all that they've done.

With that, thank you.

GOVERNOR SCOTT: CFO.

CFO PATRONIS: Leon, thank you for your leadership, and I just -- I'd like to ask you -- this is evaluation time. Will you do a favor for
me and just point out to Ash Williams your tie?

EXECUTIVE DIRECTOR BIEGALSKI: Yeah.

CFO PATRONIS: Do you see his tie? It's smart
of him to wear it on evaluation day, unlike you.

Anyway, just --

ATTORNEY GENERAL BONDI: Wait, you've got two
Gators in here, so I don't know why --

CFO PATRONIS: I spoke up. Okay, I just --

EXECUTIVE DIRECTOR BIEGALSKI: I didn't think
of that at all.

CFO PATRONIS: I sure noticed it.

So anyway, in all seriousness, no, it's -- I
know whenever I dealt with you before I had this
job and now I have this job, you've been nothing
but just a consummate professional. And when I've
had citizens that have reached out to me across the
state that need help with DOR, you have held their
hand; you've walked them through the process; you
help them understand how to help their business as
opposed to take their business and restrict them
from the ability to grow jobs and expand their
economy.

So thank you for being an asset to the state,
and your leadership makes a difference.

EXECUTIVE DIRECTOR BIEGALSKI: Thank you.
GOVERNOR SCOTT: How many points do you give --

ATTORNEY GENERAL BONDI: Thank you, Leon.

GOVERNOR SCOTT: -- for FSU ties?

COMMISSIONER PUTNAM: Yeah.

CFO PATRONIS: I don't judge it that way. It just -- it emotionally means a lot to me. It makes me feel good. You know, I said --

GOVERNOR SCOTT: Maybe we should do an analysis on this.

CFO PATRONIS: I just -- I love your tie.

EXECUTIVE DIRECTOR BIEGALSKI: Thank you.

GOVERNOR SCOTT: All right. Does anybody else have anything for Leon?

ATTORNEY GENERAL BONDI: We like you, Leon, the tie not so much.

EXECUTIVE DIRECTOR BIEGALSKI: I can appreciate that.

GOVERNOR SCOTT: No, Leon, I can tell you, we all travel, and people think very highly of your agency.

EXECUTIVE DIRECTOR BIEGALSKI: Thank you.

GOVERNOR SCOTT: I only hear positives.

ATTORNEY GENERAL BONDI: Same.

COMMISSIONER PUTNAM: Me too.
GOVERNOR SCOTT: Adam.
Okay. Thanks, Leon.
EXECUTIVE DIRECTOR BIEGALSKI: Thank you.

* * * * *
ATTACHMENT 2
December 4, 2018

MEMORANDUM

TO: The Honorable Rick Scott, Governor
   Attention: Kristin Olson, Deputy Chief of Staff
             Amanda Mandrup-Poulsen, Deputy Cabinet Affairs Director

   The Honorable Jimmy Patronis, Chief Financial Officer
   Attention: Robert Tornillo, Director of Cabinet Affairs
             Stephanie Leeds Sutton, Deputy Director of Cabinet Affairs

   The Honorable Pam Bondi, Attorney General
   Attention: Erin Sumpter, Deputy Director of Cabinet Affairs

   The Honorable Adam Putnam, Commissioner of Agriculture and Consumer
   Services
   Attention: Brooke McKnight, Director of Cabinet Affairs
             Jessica Field, Deputy Cabinet Affairs Director

THRU: Leon M. Biegalski, Executive Director

FROM: Debbie Longman, Director, Legislative and Cabinet Services

SUBJECT: Requesting Adoption and Approval to File and Certify Proposed Rules

Statement of Sections 120.54(3)(b) and 120.541, F.S. Impact: No impact.
The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small counties, or small cities, and they are not likely to have an increased regulatory cost in excess of $200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of $1,000,000 within 5 years.

What is the Department requesting? The Department requests final adoption of the following proposed rules, and approval to file and certify them with the Secretary of State under Chapter 120, F.S.
Legislative Changes

Why are the proposed rules necessary? These rule changes are necessary to incorporate statutory revisions made by the 2018 Legislature.

What do the proposed rules do?

*Florida Tax Credit Scholarship Program; Applications, Rules 12-29.001, 12-29.002, and 12-29.003, F.A.C.:* the proposed rule incorporates statutory changes made by Sections 6, 7, 15, and 48, Chapter 2018-6, L.O.F. These changes include the due date for an application for a credit allocation; how and when a credit must be added back to corporate income; and the extension of the carryforward provision for unused credits from 5 to 10 years. A change is also made to the name of two forms used in the program.

*Leases and Licenses of Real Property, Rule 12A-1.070, F.A.C.:* the state sales tax rate is set by the Legislature and is subject to change from year to year. The 2018 Legislature reduced the rate on leases and licenses of real property from 5.8% to 5.7%. The proposed rule adjusts the state sales tax rate to match the statutory change.

*Exemptions for Power Farm Equipment; Suggested Exemption Certificate for Items Used for Agricultural Purposes, Rule 12A-1.087, F.A.C.:* the proposed change provides guidance on how to document and receive the exemptions provided to aquacultural businesses by Section 36, Chapter 2018-118, L.O.F.

*Transition Rule, Rule 12A-15.014, F.A.C.:* the state sales tax rate is set by the Legislature and is subject to change from year to year. The 2018 Legislature reduced the rate on leases and licenses of real property from 5.8% to 5.7%. The proposed rule adjusts the state sales tax rate to match the statutory change.

*Corporate Income Tax, Rules 12C-1.013, 12C-1.034, and 12C-1.051, F.A.C.:* the proposed amendments incorporate statutory changes made by the 2018 Legislature and federal law changes made by the 115th U.S. Congress. These changes include the adoption of the 2018 Internal Revenue Code; provisions relating to alternative minimum tax; and provisions related to estimated tax payments.

Were comments received from external parties? No.

No request for workshop was received, and no workshop was held.

On August 14, 2018, the Governor and Cabinet approved the Department’s request to publish Notices of Proposed Rule and to conduct a rule hearing. A rule hearing was scheduled for October 10, 2018, if requested. No request was received to hold the scheduled rule hearing and no hearing was held.
Comments were received from the staff of the Joint Administrative Procedures Committee for Rules 12A-1.087, 12C-1.013, and 12C-1.051, F.A.C. All questions have been answered, and all necessary changes have been made in response to those comments.

**Form Updates**

*Why are the proposed rules necessary?* These rule changes are necessary to incorporate statutory revisions made by the 2018 Legislature, to update annual tax rates and jurisdictions, to update contact information for the Department, and to incorporate formatting changes that will make the forms easier to use.

*What do the proposed rules do?*

This rulemaking will adopt legislative and administrative changes to forms used by the Department in the administration of the following taxes, fees, and surcharges (alphabetical by topic):

- Communication Services Tax – 1 form (Rule 12A-19.100, F.A.C.)
- Corporate Income Tax – 6 forms (Rule 12C-1.051, F.A.C.)
- Insurance Premium Taxes, Fees and Surcharges – 5 forms (Rule 12B-8.003, F.A.C.)
- Motor Fuel, Diesel Fuels, Aviation Fuels, Pollutants, and Natural Gas Fuel Tax – 1 form (Rule 12B-5.150, F.A.C.)
- Sales and Use Tax – 8 forms (Rule 12A-1.097, F.A.C.) (and one repeal)
- Severance Taxes, Fees, and Surcharges - 5 Forms (Rules 12B-7.008 and 12B-7.031, F.A.C.)

*Were comments received from external parties?* Yes.

No request for workshop was received, and no workshop was held.

On August 14, 2018, the Governor and Cabinet approved the Department’s request to publish Notices of Proposed Rule and to conduct a rule hearing. A rule hearing was scheduled for October 10, 2018, if requested. No request was received to hold the scheduled rule hearing and no rule hearing was held on October 10, 2018.

In response to notifications received by the Department regarding local elections, a hearing was held on November 7, 2018, to provide an opportunity for the Department to present changes to three forms. These included a change to jurisdictions on two Insurance Premium Tax forms, and multiple changes to local rates on a Communications Services Tax form. These form amendments were then published in a Notice of Change.
Comments were received from the staff of the Joint Administrative Procedures Committee for Rules 12C-1.051 and 12B-8.003, F.A.C. All questions have been answered, and all necessary changes have been made in response to those comments.

Administrative Changes

Why are the proposed rules necessary? These rule changes are necessary to incorporate administrative changes. These changes will clarify the computation of a corporate income tax carryover; update an outdated reference; remove obsolete or redundant information; and update names and cross-references.

What do the proposed rules do?

Adoption of Materials that Contain Departmental Procedures, Rule 12-3.0017, F.A.C.: the proposed changes remove obsolete information regarding fax numbers no longer used by the Department.

Large Currency Transaction Reports Required, Rule 12-19.002, F.A.C.: the proposed amendment updates the name of the Florida Money Laundering Act, corrects cross-references to other provisions, removes a redundant definition, and incorporates by reference an Internal Revenue Code provision used in the rule.


Manufacturing & Spaceport Investment Program Tax Refunds, Rule 12A-1.0143, F.A.C. (repeal): the proposed repeal removes an obsolete rule for an incentive program that expired pursuant to its own terms (Chapter Law 2010-147, Section 21).

Sales Factor for Apportionment, Rule 12C-1.0155, F.A.C.: the proposed amendment updates an outdated statutory reference related to telecommunications for the purposes of determining the sales factor for apportionment of Florida corporate income tax.

Capital Investment Tax Credit Program, Rule 12C-1.0191, F.A.C.: the proposed amendment clarifies how a carryover arising from the Florida corporate income tax capital investment tax credit should be computed.

Were comments received from external parties? No.

No request for workshop was received, and no workshop was held.

On August 14, 2018, the Governor and Cabinet approved the Department’s request to publish Notices of Proposed Rule and to conduct a rule hearing. A rule hearing was scheduled for
October 10, 2018, if requested. No request was received to hold the scheduled rule hearing and no hearing was held.

Comments were received from the staff of the Joint Administrative Procedures Committee for Rule 12-19.002, F.A.C. All questions have been answered, and all necessary changes have been made in response to those comments.

**Motor vehicles**

*Why is the proposed rule necessary?*

The proposed amendments are needed to clarify the tax treatment of a motor vehicle repurchased by the dealer under Chapter 681, F.S. (the “Lemon Law”). In addition, a change is needed to the title of a form referenced in the rule so that it is consistent with the promulgated form.

*What does the proposed rule do?*

*Aircraft, Boats, Mobile Homes, and Motor Vehicles, Rule 12A-1.007, F.A.C.:* the proposed changes clarify that all taxes paid by and refunded to a customer who has a vehicle repurchased under Chapter 681, F.S., are refundable to the manufacturer making the refund. An amendment is also made to the title of a form.

*Were comments received from external parties?* Yes.

No request for workshop was received, and no workshop was held. Written public comments were received, and the rule language was revised as requested.

On June 13, 2018, the Governor and Cabinet approved the Department’s request to publish Notices of Proposed Rule and to conduct a rule hearing. A rule hearing was scheduled for July 11, 2018, if requested. No request was received to hold the scheduled rule hearing and no hearing was held.

Comments of a technical nature were received from the staff of the Joint Administrative Procedures Committee. All questions have been answered, and all necessary changes have been made in response to those comments.

This rule was presented at the August 14, 2018, Cabinet meeting for final approval; however, the rule text presented was not the final version. Today’s version includes all necessary changes.
For each rule, attached are copies of:

- Summary of the proposed rules, which includes:
  - Statements of facts and circumstances justifying the rules;
  - Federal comparison statements; and
  - Summary of the workshops and hearings
- Rule text
- Incorporated materials
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-3, FLORIDA ADMINISTRATIVE CODE
GENERAL; PROCEDURE
AMENDING RULE 12-3.0017

SUMMARY OF PROPOSED RULE
The proposed amendment to Rule 12-3.0017, F.A.C., removes obsolete information regarding fax numbers no longer used by the Department.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE
The proposed change is necessary to provide citizens with accurate information for contacting the agency.

FEDERAL COMPARISON STATEMENT
The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP
JULY 18, 2018
A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3091), to advise the public of the proposed changes to Rule 12-3.0017, F.A.C., and to provide that, if requested in writing, a rule

1
development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING

AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12-3.0017, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING

OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4199-4200), to advise the public of the proposed changes to Rule 12-3.0017, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.
12-3.0017 Adoption of Materials That Contain Departmental Procedures.

(1) The following subsections of this rule describe materials and publications which contain procedures used by the Department in performing its statutory responsibilities, and these materials and publications are hereby incorporated by reference in this rule. A copy of these materials and publications may be obtained by one or more of the following methods:

(a) No change.

(b) Faxing the Distribution Center at (850)922-2208; or

(c) Using a fax machine telephone handset to call the Department’s automated Fax on Demand system at (850)922-3676; or

(d) through (f) redesignated (b) through (d) No change.

(2) through (4) No change.

Rulemaking Authority 213.06(1) FS. Law Implemented 212.12, 212.13, 213.35 FS. History–New 10-1-03, Amended_____.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-3, FLORIDA ADMINISTRATIVE CODE
GENERAL; PROCEDURE
AMENDING RULE 12-3.0017
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-19, FLORIDA ADMINISTRATIVE CODE
REPORTS OF LARGE CURRENCY TRANSACTIONS
AMENDING RULES 12-19.002 AND 12-19.004

SUMMARY OF PROPOSED RULES

The proposed amendments to Rules 12-19.002 and 12-19.004, F.A.C., update the name of the Florida Money Laundering Act, correct cross references to other provisions; remove a redundant definition; and incorporate, by reference, an Internal Revenue Code provision used in the rule.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed changes are necessary for consistency with other Florida and federal laws on this topic.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative
Register on July 2, 2018 (Vol. 44, No. 128, pp. 3091-3092), to advise the public of the proposed changes to Rules 12-19.002 and 12-19.004, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING
AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rules 12-19.002 and 12-19.004, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING
OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4200-4201), to advise the public of the proposed changes to Rules 12-19.002 and 12-19.004, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held.

Written comments were received from the staff of the Joint Administrative Procedures Committee. A notice of change was published in the Florida Administrative Register on November 7, 2018 (Vol. 44, No. 218, p. 5130), providing requested changes. The change to Rule 12-19.002, F.A.C, includes the full citation for the Internal Revenue Code, along with the
effective date of the U.S.C. provision. The final rule language presented for adoption today reflects these changes.

The Florida Money Laundering Act imposes a state reporting requirement with respect to large currency transactions. The Florida reporting requirement is similar to the federal reporting requirement imposed under 26 U.S.C. s.6050I with respect to these transactions.

(1) Any person engaged in a trade or business in this state, other than a financial institution, must file a report with the Department of Revenue when such person receives more than $10,000 in currency in a single transaction, or in two or more related transactions, in the course of such trade or business. For the purposes of these rules, the following definitions shall apply:

(a) No change.

(b) The term “engaged in a trade or business” has the same meaning as under section 26 U.S.C. § 162, Internal Revenue Code, hereby incorporated by reference, as amended and in effect 01/18, (http://www.flrules.org/Gateway/reference.asp?No=Ref-_____) of 1954.

(c) No change.

(d) “Financial institution” has the meaning ascribed to the term in Section 655.50(3)(c) 655.50(3)(b), F.S. The term includes any national bank or banking association, state bank or banking association, industrial savings bank, trust company, federal savings and loan association,
state savings and loan association, federal savings bank, state savings bank, federal or state credit union, Edge Act or agreement corporation, or international bank agency located in this state, whether organized under the laws of Florida, another state, or the United States.

(e) No change.

(f) “Transaction” means the purchase of goods, services, or real or personal property by a customer; a debt obligation purchased with currency; the receipt and conversion of currency to a negotiable instrument; the receipt of currency to be held in escrow or trust or on account of a customer; and, similar events which precipitate a transfer of currency by a payer or its agent to a recipient. The term includes: rental of real or personal property; an exchange of currency for currency; the establishment, or maintenance of, or contribution to, a custodial, trust or escrow arrangement; a payment of an existing debt; repayment of a loan; and, reimbursement for expenses paid.

(g) renumbered (f) No change.

(2) through (5) No change.

(6) A transaction may not be subdivided into multiple parts to avoid the reporting requirements imposed under the Florida Money Laundering Act. Rulemaking Authority 896.102(3) FS. Law Implemented 896.102 FS. History–New 2-18-88, Amended.____.

12-19.004 Penalties for Failure to Comply.

The Florida Money Laundering Act imposes a criminal penalty for willful failure to file a report of a large currency transaction. Each separate currency transaction exceeding $10,000 which the recipient willfully fails to report properly constitutes a
separate, punishable offense.

Rulemaking Authority 896.102(3) FS. Law Implemented 896.102 FS. History–New 2-18-88, Amended ____.
ble to amounts paid or incurred in taxable years beginning after Dec. 31, 2021, this analysis is amended by striking item 174 and inserting a new item 174 “Amortization of research and experimental expenditures.” See 2017 Amendment note below.

AMENDMENTS


§161. Allowance of deductions

In computing taxable income under section 63, there shall be allowed as deductions the items specified in this part, subject to the exceptions provided in part IX (sec. 261 and following, relating to items not deductible).


AMENDMENTS

1977—Pub. L. 95–30 substituted “section 63(a)” for “section 63(a)(1)”.

Effective Date of 1977 Amendment

Amendment by Pub. L. 95–30 applicable to taxable years beginning after Dec. 31, 1976, see section 106(a) of Pub. L. 95–30, set out as a note under section 1 of this title.

§162. Trade or business expenses

(a) In general

There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including—

(1) a reasonable allowance for salaries or other compensation for personal services actually rendered;
(2) traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and
rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.

For purposes of the preceding sentence, the place of residence of a Member of Congress (in session) within the State, congressional district, or jurisdiction represented by such Members within each taxable year for living expenses shall not be deductible for income tax purposes. For purposes of paragraph (2), the taxpayer shall not be treated as being temporarily away from home during any period of employment if such period exceeds 1 year.

The preceding sentence shall not apply to any Federal employee during any period for which such employee is certified by the Attorney General (or the designee thereof) as traveling on behalf of the United States in temporary duty status to investigate or prosecute, or to provide support services for the investigation or prosecution of, a Federal crime.

(b) Charitable contributions and gifts excepted

No deduction shall be allowed under subsection (a) for any contribution or gift which would be allowable as a deduction under section 170 were it not for the percentage limitations, the gross income limitations, or the requirements as to the time of payment, set forth in such section.

(c) Illegal bribes, kickbacks, and other payments

(1) Illegal payments to government officials or employees

No deduction shall be allowed under subsection (a) for any payment made, directly or indirectly, to an official or employee of any government, or of any agency or instrumentality of any government, if the payment constitutes an illegal bribe or kickback or, if the payment is to an official or employee of a foreign government, the payment is unlawful under the Foreign Corrupt Practices Act of 1977. The burden of proof in respect of the issue, for the purposes of this paragraph, as to whether a payment constitutes an illegal bribe or kickback (or is unlawful under the Foreign Corrupt Practices Act of 1977) shall be upon the Secretary to the same extent as he bears the burden of proof under section 7454 (concerning the burden of proof when the issue relates to fraud).

(2) Other illegal payments

No deduction shall be allowed under subsection (a) for any payment (other than a payment described in paragraph (1)) made, directly or indirectly, to any person, if the payment constitutes an illegal bribe, illegal kickback, or other illegal payment under any law of the United States, or under any law of a State (but only if such State law is generally enforced), which subjects the payor to a criminal penalty or the loss of license or privilege to engage in a trade or business. For purposes of this paragraph, a kickback includes a payment in consideration of the referral of a client, patient, or customer. The burden of proof in respect of the issue, for purposes of this paragraph, as to whether a payment constitutes an illegal bribe, illegal kickback, or other illegal payment shall be upon the Secretary to the same extent as he bears the burden of proof under section 7454 (concerning the burden of proof when the issue relates to fraud).

(3) Kickbacks, rebates, and bribes under medicare and medicaid

No deduction shall be allowed under subsection (a) for any kickback, rebate, or bribe made by any provider of services, supplier, physician, or other person who furnishes items or services for which payment is or may be made under the Social Security Act, or in whole or in part out of Federal funds under a State plan approved under such Act, if such kickback, rebate, or bribe is made in connection with the furnishing of such services or the making or receipt of such payments. For purposes of this paragraph, a kickback includes a payment in consideration of the referral of a client, patient, or customer.

(d) Capital contributions to Federal National Mortgage Association

For purposes of this subtitle, whenever the amount of capital contributions evidenced by a share of stock issued pursuant to section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C., sec. 1718) exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business.

(e) Denial of deduction for certain lobbying and political expenditures

(1) In general

No deduction shall be allowed under subsection (a) for any amount paid or incurred in connection with—

(A) influencing legislation,

(B) participation in, or intervention in, any political campaign on behalf of (or in opposition to) any candidate for public office,

(C) any attempt to influence the general public, or segments thereof, with respect to elections, legislative matters, or referenda, or

(D) any direct communication with a covered executive branch official in an attempt to influence the official actions or positions of such official.

(2) Application to dues of tax-exempt organizations

No deduction shall be allowed under subsection (a) for the portion of dues or other similar amounts paid by the taxpayer to an organization which is exempt from tax under this subtitle which the organization notifies...
§ 162

(3) Influencing legislation

For purposes of this subsection—

(A) In general

The term “influencing legislation” means any attempt to influence any legislation through communication with any member or employee of a legislative body, or with any government official or employee who may participate in the formulation of legislation.

(B) Legislation

The term “legislation” has the meaning given such term by section 4911(e)(2).

(4) Other special rules

(A) Exception for certain taxpayers

In the case of any taxpayer engaged in the trade or business of conducting activities described in paragraph (1), paragraph (1) shall not apply to expenditures of the taxpayer in conducting such activities directly on behalf of another person (but shall apply to payments by such other person to the taxpayer for conducting such activities).

(B) De minimis exception

(i) In general

Paragraph (1) shall not apply to any in-house expenditures for any taxable year if such expenditures do not exceed $2,000. In determining whether a taxpayer exceeds the $2,000 limit under this clause, there shall not be taken into account overhead costs otherwise allocable to activities described in paragraphs (1)(A) and (D).

(ii) In-house expenditures

For purposes of clause (i), the term “in-house expenditures” means expenditures described in paragraphs (1)(A) and (D) other than—

(I) payments by the taxpayer to a person engaged in the trade or business of conducting activities described in paragraph (1) for the conduct of such activities on behalf of the taxpayer, or

(II) dues or other similar amounts paid or incurred by the taxpayer which are allocable to activities described in paragraph (1).

(C) Expenses incurred in connection with lobbying and political activities

Any amount paid or incurred for research for, or preparation, planning, or coordination of, any activity described in paragraph (1) shall be treated as paid or incurred in connection with such activity.

(5) Covered executive branch official

For purposes of this subsection, the term “covered executive branch official” means—

(A) the President,

(B) the Vice President,

(C) any officer or employee of the White House Office of the Executive Office of the President, and the 2 most senior level officers of each of the other agencies in such Executive Office, and

(D)(i) any individual serving in a position in level I of the Executive Schedule under section 5312 of title 5, United States Code, (ii) any other individual designated by the President as having Cabinet level status, and (iii) any immediate deputy of an individual described in clause (i) or (ii).

(6) Cross reference

For reporting requirements and alternative taxes related to this subsection, see section 6033(e).

(f) Fines, penalties, and other amounts

(1) In general

Except as provided in the following paragraphs of this subsection, no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or governmental entity in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

(2) Exception for amounts constituting restitution or paid to come into compliance with law

(A) In general

Paragraph (1) shall not apply to any amount that—

(I) the taxpayer establishes—

(i) constitutes restitution (including remediation of property) for damage or harm which was or may be caused by the violation of any law or the potential violation of any law, or

(ii) is paid to come into compliance with any law which was violated or otherwise involved in the investigation or inquiry described in paragraph (1),

(ii) is identified as restitution or as an amount paid to come into compliance with such law, as the case may be, in the court order or settlement agreement, and

(iii) in the case of any amount of restitution for failure to pay any tax imposed under this title in the same manner as if such amount were such tax, would have been allowed as a deduction under this chapter if it had been timely paid.

The identification under clause (ii) alone shall not be sufficient to make the establishment required under clause (i).

(B) Limitation

Subparagraph (A) shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

(3) Exception for amounts paid or incurred as the result of certain court orders

Paragraph (1) shall not apply to any amount paid or incurred by reason of any order of a court in a suit in which no government or governmental entity is a party.

(4) Exception for taxes due

Paragraph (1) shall not apply to any amount paid or incurred as taxes due.
(5) Treatment of certain nongovernmental regulatory entities

For purposes of this subsection, the following nongovernmental entities shall be treated as governmental entities:

(A) Any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)).

(B) To the extent provided in regulations, any nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

g) Treble damage payments under the antitrust laws

If in a criminal proceeding a taxpayer is convicted of a violation of the antitrust laws, or his plea of guilty or nolo contendere to an indictment or information charging such a violation is entered or accepted in such a proceeding, no deduction shall be allowed under subsection (a) for two-thirds of any amount paid or incurred—

(1) on any judgment for damages entered against the taxpayer under section 4 of the Act entitled “An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes”, approved October 15, 1914 (commonly known as the Clayton Act), on account of such violation or any related violation of the antitrust laws which occurred prior to the date of the final judgment of such conviction, or

(2) in settlement of any action brought under such section 4 on account of such violation or related violation.

(h) State legislators’ travel expenses away from home

(1) In general

For purposes of subsection (a), in the case of any individual who is a State legislator at any time during the taxable year and who makes an election under this subsection for the taxable year—

(A) the place of residence of such individual within the legislative district which he represents shall be considered his home,

(B) he shall be deemed to have expended for living expenses (in connection with his trade or business as a legislator) an amount equal to the sum of the amounts determined by multiplying each legislative day of such individual during the taxable year by the greater of—

(i) the amount generally allowable with respect to such day to employees of the State of which he is a legislator for per diem while away from home, to the extent such amount does not exceed 110 percent of the amount described in clause (ii) with respect to such day, or

(ii) the amount generally allowable with respect to such day to employees of the executive branch of the Federal Government for per diem while away from home but serving in the United States, and

(C) he shall be deemed to be away from home in the pursuit of a trade or business on each legislative day.

(2) Legislative days

For purposes of paragraph (1), a legislative day during any taxable year for any individual shall be any day during such year on which—

(A) the legislature was in session (including any day in which the legislature was not in session for a period of 4 consecutive days or less), or

(B) the legislature was not in session but the physical presence of the individual was formally recorded at a meeting of a committee of such legislature.

(3) Election

An election under this subsection for any taxable year shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

(4) Section not to apply to legislators who reside near capitol

This subsection shall not apply to any legislator whose place of residence within the legislative district which he represents is 50 or fewer miles from the capitol building of the State.


(j) Certain foreign advertising expenses

(1) In general

No deduction shall be allowed under subsection (a) for any expenses of an advertisement carried by a foreign broadcast undertaking and directed primarily to a market in the United States. This paragraph shall apply only to foreign broadcast undertakings located in a country which denies a similar deduction for the cost of advertising directed primarily to a market in the foreign country when placed with a United States broadcast undertaking.

(2) Broadcast undertaking

For purposes of paragraph (1), the term “broadcast undertaking” includes (but is not limited to) radio and television stations.

(k) Stock reacquisition expenses

(1) In general

Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred by a corporation in connection with the reacquisition of its stock or of the stock of any related person (as defined in section 465(b)(3)(C)).

(2) Exceptions

Paragraph (1) shall not apply to—

(A) Certain specific deductions

Any—

(i) deduction allowable under section 163 (relating to interest),

(ii) deduction for amounts which are properly allocable to indebtedness and amortized over the term of such indebtedness, or

(iii) deduction for dividends paid (within the meaning of section 561).
(B) Stock of certain regulated investment companies

Any amount paid or incurred in connection with the redemption of any stock in a regulated investment company which issues only stock which is redeemable upon the demand of the shareholder.

(l) Special rules for health insurance costs of self-employed individuals

(1) Allowance of deduction

In the case of a taxpayer who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for—

(A) the taxpayer,

(B) the taxpayer’s spouse,

(C) the taxpayer’s dependents, and

(D) any child (as defined in section 152(f)(1)) of the taxpayer who as of the end of the taxable year has not attained age 27.

(2) Limitations

(A) Dollar amount

No deduction shall be allowed under paragraph (1) to the extent that the amount of such deduction exceeds the taxpayer’s earned income (within the meaning of section 401(c)) derived by the taxpayer from the trade or business with respect to which the plan providing the medical care coverage is established.

(B) Other coverage

Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of, or any dependent, or individual described in subparagraph (D) of paragraph (1) with respect to, the taxpayer. The preceding sentence shall be applied separately with respect to—

(i) plans which include coverage for qualified long-term care services (as defined in section 7702B(c)) or are qualified long-term care insurance contracts (as defined in section 7702B(b)), and

(ii) plans which do not include such coverage and are not such contracts.

(C) Long-term care premiums

In the case of a qualified long-term care insurance contract (as defined in section 7702B(b)), only eligible long-term care premiums (as defined in section 213(d)(10)) shall be taken into account under paragraph (1).

(3) Coordination with medical deduction

Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

(4) Deduction not allowed for self-employment tax purposes

The deduction allowable by reason of this subsection shall not be taken into account in determining an individual’s net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2 for taxable years beginning before January 1, 2010, or after December 31, 2010.

(5) Treatment of certain S corporation shareholders

This subsection shall apply in the case of any individual treated as a partner under section 1372(a), except that—

(A) for purposes of this subsection, such individual’s wages (as defined in section 3121) from the S corporation shall be treated as such individual’s earned income (within the meaning of section 401(c)(1)), and

(B) there shall be such adjustments in the application of this subsection as the Secretary may by regulations prescribe.

(m) Certain excessive employee remuneration

(1) In general

In the case of any publicly held corporation, no deduction shall be allowed under this chapter for applicable employee remuneration with respect to any covered employee to the extent that the amount of such remuneration for the taxable year with respect to such employee exceeds $1,000,000.

(2) Publicly held corporation

For purposes of this subsection, the term “publicly held corporation” means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))—

(A) the securities of which are required to be registered under section 12 of such Act (15 U.S.C. 78l), or

(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).

(3) Covered employee

For purposes of this subsection, the term “covered employee” means any employee of the taxpayer if—

(A) such employee is the principal executive officer or principal financial officer of the taxpayer at any time during the taxable year, or was an individual acting in such a capacity,

(B) the total compensation of such employee for the taxable year is required to be reported to shareholders under the Securities Exchange Act of 1934 by reason of such employee being among the 3 highest compensated officers for the taxable year (other than any individual described in subparagraph (A)), or

(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2016.

Such term shall include any employee who would be described in subparagraph (B) if the reporting described in such subparagraph were required as so described.

(4) Applicable employee remuneration

For purposes of this subsection—

(A) In general

Except as otherwise provided in this paragraph, the term “applicable employee remu-
(a) Remuneration

The term “applicable employee remuneration” shall not include any remuneration payable under a written binding contract which was in effect on February 17, 1993, and which was not modified thereafter in any material respect before such remuneration is paid.

(C) Remuneration

For purposes of this paragraph, the term “remuneration” includes any remuneration (including benefits) in any medium other than cash, but shall not include—

(i) any payment referred to in so much of section 3121(a)(5) as precedes subparagraph (E) thereof, and

(ii) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from gross income under this chapter.

For purposes of clause (i), section 3121(a)(5) shall be applied without regard to section 3121(v)(1).

(D) Coordination with disallowed golden parachute payments

The dollar limitation contained in paragraph (1) shall be reduced (but not below zero) by the amount (if any) which would have been included in the applicable employee remuneration of the covered employee for the taxable year but for being disallowed under section 280G.

(E) Coordination with excise tax on specified stock compensation

The dollar limitation contained in paragraph (1) with respect to any covered employee shall be reduced (but not below zero) by the amount of any payment (with respect to such employee) of the tax imposed by section 4985 directly or indirectly by the expatriated corporation (as defined in such section) or by any member of the expanded affiliated group (as defined in such section) which includes such corporation.

(F) Special rule for remuneration paid to beneficiaries, etc.

Remuneration shall not fail to be applicable employee remuneration merely because it is includible in the income of, or paid to, a person other than the covered employee, including after the death of the covered employee.

(5) Special rule for application to employers participating in the Troubled Assets Relief Program

(A) In general

In the case of an applicable employer, no deduction shall be allowed under this chapter—

(i) in the case of executive remuneration for any applicable taxable year which is attributable to services performed by a covered executive during such applicable taxable year, to the extent that the amount of such remuneration exceeds $500,000, or

(ii) in the case of deferred deduction executive remuneration for any taxable year for services performed during any applicable taxable year by a covered executive, to the extent that the amount of such remuneration exceeds $500,000 reduced (but not below zero) by the sum of—

(I) the executive remuneration for such applicable taxable year, plus

(II) the portion of the deferred deduction executive remuneration for such services which was taken into account under this clause in a preceding taxable year.

(B) Applicable employer

For purposes of this paragraph—

(i) In general

Except as provided in clause (ii), the term “applicable employer” means any employer from whom 1 or more troubled assets are acquired under a program established by the Secretary under section 113(c) of the Emergency Economic Stabilization Act of 2008 if the aggregate amount of the assets so acquired for all taxable years exceeds $300,000,000.

(ii) Disregard of certain assets sold through direct purchase

If the only sales of troubled assets by an employer under the program described in clause (i) are through 1 or more direct purchases (within the meaning of section 1563(a) for purposes of either such subsection, paragraphs (2) and (3) thereof shall be disregarded.

(iii) Aggregation rules

Two or more persons who are treated as a single employer under subsection (b) or (c) of section 414 shall be treated as a single employer, except that in applying section 1563(a) for purposes of either such subsection, paragraphs (2) and (3) thereof shall be disregarded.

(C) Applicable taxable year

For purposes of this paragraph, the term “applicable taxable year” means, with respect to any employer—

(i) the first taxable year of the employer—

(I) which includes any portion of the period during which the authorities
under section 101(a) of the Emergency Economic Stabilization Act of 2008 are in effect (determined under section 120 thereof), and

(II) in which the aggregate amount of troubled assets acquired from the employer during the taxable year pursuant to such authorities (other than assets to which subparagraph (B)(ii) applies), when added to the aggregate amount so acquired for all preceding taxable years, exceeds $300,000,000, and

(ii) any subsequent taxable year which includes any portion of such period.

(D) Covered executive

For purposes of this paragraph—

(i) In general

The term “covered executive” means, with respect to any applicable taxable year, any employee—

(I) who, at any time during the portion of the taxable year during which the authorities under section 101(a) of the Emergency Economic Stabilization Act of 2008 are in effect (determined under section 120 thereof), is the chief executive officer of the applicable employer or the chief financial officer of the applicable employer, or an individual acting in either such capacity, or

(II) who is described in clause (ii).

(ii) Highest compensated employees

An employee is described in this clause if the employee is 1 of the 3 highest compensated officers of the applicable employer for the taxable year (other than an individual described in clause (i)(I)), determined—

(I) on the basis of the shareholder disclosure rules for compensation under the Securities Exchange Act of 1934 (without regard to whether those rules apply to the employer), and

(II) by only taking into account employees employed during the portion of the taxable year described in clause (i)(I).

(iii) Employee remains covered executive

If an employee is a covered executive with respect to an applicable employer for any applicable taxable year, such employee shall be treated as a covered executive with respect to such employer for all subsequent applicable taxable years and for all subsequent taxable years in which deferred deduction executive remuneration with respect to services performed in a prior applicable taxable year.

(E) Executive remuneration

For purposes of this paragraph, the term “executive remuneration” means the applicable employee remuneration of the covered executive, as determined under paragraph (4) without regard to subparagraph (B) thereof. Such term shall not include any deferred deduction executive remuneration with respect to services performed in a prior applicable taxable year.

(F) Deferred deduction executive remuneration

For purposes of this paragraph, the term “deferred deduction executive remuneration” means remuneration which would be executive remuneration for services performed in an applicable taxable year but for the fact that the deduction under this chapter (determined without regard to this paragraph) for such remuneration is allowable in a subsequent taxable year.

(G) Coordination

Rules similar to the rules of subparagraphs (D) and (E) of paragraph (4) shall apply for purposes of this paragraph.

(H) Regulatory authority

The Secretary may prescribe such guidance, rules, or regulations as are necessary to carry out the purposes of this paragraph and the Emergency Economic Stabilization Act of 2008, including the extent to which this paragraph applies in the case of any acquisition, merger, or reorganization of an applicable employer.

(6) Special rule for application to certain health insurance providers

(A) In general

No deduction shall be allowed under this chapter—

(i) in the case of applicable individual remuneration which is for any disqualified taxable year beginning after December 31, 2012, and which is attributable to services performed by an applicable individual during such taxable year, to the extent that the amount of such remuneration exceeds $500,000, or

(ii) in the case of deferred deduction remuneration for any taxable year beginning after December 31, 2012, which is attributable to services performed by an applicable individual during any disqualified taxable year beginning after December 31, 2009, to the extent that the amount of such remuneration exceeds $500,000 reduced (but not below zero) by the sum of—

(I) the applicable individual remuneration for such disqualified taxable year, plus

(II) the portion of the deferred deduction remuneration for such services which was taken into account under this clause in a preceding taxable year (or which would have been taken into account under this clause in a preceding taxable year if this clause were applied by substituting “December 31, 2009” for “December 31, 2012” in the matter preceding subclause (I)).

(B) Disqualified taxable year

For purposes of this paragraph, the term “disqualified taxable year” means, with respect to any employer, any taxable year for which such employer is a covered health insurance provider.
(C) Covered health insurance provider

For purposes of this paragraph—

(i) In general

The term “covered health insurance provider” means—

(I) with respect to taxable years beginning after December 31, 2009, and before January 1, 2013, any employer which is a health insurance issuer (as defined in section 9832(b)(2)) and which receives premiums from providing health insurance coverage (as defined in section 9832(b)(1)), and

(II) with respect to taxable years beginning after December 31, 2012, any employer which is a health insurance issuer (as defined in section 9832(b)(2)) and with respect to which not less than 25 percent of the gross premiums received from providing health insurance coverage (as defined in section 9832(b)(1)) is from minimum essential coverage (as defined in section 5000A(f)).

(ii) Aggregation rules

Two or more persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer, except that in applying section 1563(a) for purposes of any such subsection, paragraphs (2) and (3) thereof shall be disregarded.

(D) Applicable individual remuneration

For purposes of this paragraph, the term “applicable individual remuneration” means, with respect to any applicable individual for any disqualified taxable year, the aggregate amount allowable as a deduction under this chapter for such taxable year (determined without regard to this subsection) for remuneration (as defined in paragraph (4)) which would be applicable in such taxable year, or the aggregate amount allowable as a deduction for services performed by such individual for any disqualified taxable year.

(E) Deferred deduction remuneration

For purposes of this paragraph, the term “deferred deduction remuneration” means remuneration which would be applicable individual remuneration for services performed in a disqualified taxable year but for the fact that the deduction under this chapter (determined without regard to this paragraph) for such remuneration is allowable in a subsequent taxable year.

(F) Applicable individual

For purposes of this paragraph, the term “applicable individual” means, with respect to any covered health insurance provider for any disqualified taxable year, any individual—

(i) who is an officer, director, or employee in such taxable year, or

(ii) who provides services for or on behalf of such covered health insurance provider during such taxable year.

(G) Coordination

Rules similar to the rules of subparagraphs (D) and (E) of paragraph (4) shall apply for purposes of this paragraph.

(H) Regulatory authority

The Secretary may prescribe such guidance, rules, or regulations as are necessary to carry out the purposes of this paragraph.

(n) Special rule for certain group health plans

(1) In general

No deduction shall be allowed under this chapter to an employer for any amount paid or incurred in connection with a group health plan if the plan does not reimburse for inpatient hospital care services provided in the State of New York—

(A) except as provided in subparagraphs (B) and (C), at the same rate as licensed commercial insurers are required to reimburse hospitals for such services when such reimbursement is not through such a plan,

(B) in the case of any reimbursement through a health maintenance organization, at the same rate as health maintenance organizations are required to reimburse hospitals for such services for individuals not covered by such a plan (determined without regard to any government-supported individuals exempt from such rate), or

(C) in the case of any reimbursement through any corporation organized under Article 43 of the New York State Insurance Law, at the same rate as any such corporation is required to reimburse hospitals for such services for individuals not covered by such a plan.

(2) State law exception

Paragraph (1) shall not apply to any group health plan which is not required under the laws of the State of New York (determined without regard to this subsection or other provisions of Federal law) to reimburse hospitals for such services at the rates provided in paragraph (1).

(3) Group health plan

For purposes of this subsection, the term “group health plan” means a plan of, or contributed to by, an employer or employee organization (including a self-insured plan) to provide health care (directly or otherwise) to any employee, any former employee, the employer, or any other individual associated or formerly associated with the employer in a business relationship, or any member of their family.

(o) Treatment of certain expenses of rural mail carriers

(1) General rule

In the case of any employee of the United States Postal Service who performs services involving the collection and delivery of mail on a rural route and who receives qualified reimbursements for the expenses incurred by such employee for the use of a vehicle in performing such services—

(A) the amount allowable as a deduction under this chapter for the use of a vehicle in performing such services shall be equal to the amount of such qualified reimbursements; and
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(p) Treatment of expenses of members of reserve component is away from home in connection with business for any period during which such individual is away from home in the pursuit of a trade or business of the United States at any time during the taxable year, such individual shall be deemed to be away from home under section 67.

(3) Definition of qualified reimbursements

For purposes of this subsection, the term “qualified reimbursements” means the amounts paid by the United States Postal Service to employees as an equipment maintenance allowance under the 1991 collective bargaining agreement between the United States Postal Service and the National Rural Letter Carriers’ Association. Amounts paid as an equipment maintenance allowance by such Postal Service under later collective bargaining agreements that supersede the 1991 agreement shall be considered qualified reimbursements if such amounts do not exceed the amounts that would have been paid under the 1991 agreement, adjusted by increasing any such amount under the 1991 agreement by an amount equal to—

(A) such amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting “calendar year 1990” for “calendar year 2016” in subparagraph (A)(ii) thereof.

(q) Payments related to sexual harassment and sexual abuse

No deduction shall be allowed under this chapter for—

(1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement, or

(2) attorney’s fees related to such a settlement or payment.

(r) Disallowance of FDIC premiums paid by certain large financial institutions

(1) In general

No deduction shall be allowed for the applicable percentage of any FDIC premium paid or incurred by the taxpayer.

(2) Exception for small institutions

Paragraph (1) shall not apply to any taxpayer for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

(3) Applicable percentage

For purposes of this subsection, the term “applicable percentage” means, with respect to any taxpayer for any taxable year, the ratio expressed as a percentage but not greater than 100 percent) which—

(A) the excess of—

(i) the total consolidated assets of such taxpayer (determined as of the close of such taxable year), over

(ii) $10,000,000,000, bears to

(B) $40,000,000,000.

(4) FDIC premiums

For purposes of this subsection, the term “FDIC premium” means any assessment imposed under section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)).

(5) Total consolidated assets

For purposes of this subsection, the term “total consolidated assets” has the meaning given such term under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365).

(6) Aggregation rule

(A) In general

Members of an expanded affiliated group shall be treated as a single taxpayer for purposes of applying this subsection.

(B) Expanded affiliated group

(i) In general

For purposes of this paragraph, the term “expanded affiliated group” means an affiliated group as defined in section 1504(a), determined—

(I) by substituting “more than 50 percent” for “at least 80 percent” each place it appears, and

(II) without regard to paragraphs (2) and (3) of section 1504(b).

(ii) Control of non-corporate entities

A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this clause).

(s) Cross reference

(1) For special rule relating to expenses in connection with subdividing real property for sale, see section 1237.

(2) For special rule relating to the treatment of payments by a transferee of a franchise, trademark, or trade name, see section 1253.

(3) For special rules relating to—

(A) funded welfare benefit plans, see section 419, and

(B) deferred compensation and other deferred benefits, see section 404.

The Social Security Act, referred to in subsec. (c)(3), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, which is classified generally to chapter 7 (§ 301 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

Section 4 of the Clayton Act, referred to in subsec. (g)(1), is classified to section 15 of Title 15, Commerce and Trade.


AMENDMENTS


Subsec. (e)(2) to (8). Pub. L. 115–97, § 13308(a), redesignated pars. (3) to (6) and (8) as (2) to (6), respectively, and struck out former par. (2) relating to exception for local legislation and par. (7) relating to special rule for Indian tribal governments.

Subsec. (f). Pub. L. 115–97, § 13306(a)(1), amended subsec. (f) generally. Prior to amendment, text read as follows: “No deduction shall be allowed under subsection (a) for any fine or similar penalty paid to a government for violation of any law.”

Subsec. (m)(2). Pub. L. 115–97, § 13601(c)(1), amended par. (2) generally. Prior to amendment, text read as follows: “For purposes of this subsection, the term ‘publicly held corporation’ means any corporation issuing any class of common equity securities required to be registered under section 12 of the Securities Exchange Act of 1934.”


Subsec. (m)(4)(A). Pub. L. 115–97, § 13601(b)(1), substituted “such employee is the principal executive officer or principal financial officer of the taxpayer at any time during the taxable year, or was” for “as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is”.

Subsec. (m)(3)(B). Pub. L. 115–97, § 13601(b)(2), substituted “3” for “4” and “other than any individual described in subparagraph (A)” for “other than the chief executive officer”.


Subsec. (m)(4)(B) to (E). Pub. L. 115–97, § 13601(a)(1), redesignated subpars. (D) to (G) as (B) to (E), respectively, and struck out former subpar. (B) relating to an exemption to the term “applicable employee remuneration” and former subpar. (C) relating to the term “applicable employee remuneration”.

Subsec. (m)(4)(F). Pub. L. 115–97, § 13601(a)(1), added subpar. (F) and redesignated former subpar. (F) as (D).

\textit{For taxable years beginning in calendar year—} \textbf{The applicable percentage is—}

\begin{array}{ll}
\text{1997} & 40 \\
\text{1998 and 1999} & 45 \\
\text{2000 and 2001} & 50 \\
\text{2002} & 60
\end{array}

\textit{For taxable years beginning in calendar year—} \textbf{The applicable percentage is—}

\begin{array}{ll}
\text{2003 through 2005} & 80 \\
\text{2006} & 90 \\
\text{2007 and thereafter} & 100
\end{array}

\textit{For taxable years beginning in calendar year—} \textbf{The applicable percentage is—}

\begin{array}{ll}
\text{1997} & 40 \\
\text{1998 through 2002} & 45 \\
\text{2003} & 50 \\
\text{2004} & 60 \\
\text{2005} & 70 \\
\text{2006 or thereafter} & 80
\end{array}

insurance which constitutes medical care shall be re-
duced by the amount (if any) of the health insurance
credit allowable to the taxpayer for the taxable year
under section 32.''

“December 31, 1993” for “June 30, 1992”.

(m), redesignated former subsec. (n) as (m) and
inserted a new subsec. (n).

(n).

Former subsec. (n) redesignated (o).

Pub. L. 103–66, §1321(a), redesignated subsec. (m) as
(n).

Subsec. (o). Pub. L. 103–66, §13442(a), redesignated
subsec. (n) as (o).

purposes of paragraph (2), the taxpayer shall not be
treated as being temporarily away from home during
any period of employment if such period exceeds 1
year.”

30, 1992” for “December 31, 1991.”

stituted heading for one which read: “Coordination
with medical deduction” and amended text generally.

Prior to amendment, text read as follows: “Any amount
paid by a taxpayer for insurance to which para-
graph (1) applies shall not be taken into account in
computing the amount allowable to the taxpayer as a
deduction under section 213(a).”


1989—Subsec. (i). Pub. L. 101–239, §7202(b)(3)(A), struck out subsec. (i) which read as follows:

“(1) COVERAGE RELATING TO END STAGE RENAL
DISEASE.—The expenses paid or incurred by an
employer for a group health plan shall not be allowed as a
deduction under this section if the plan differentiates in the
benefits it provides between individuals having end stage renal disease and other individuals covered by
such plan on the basis of the existence of end stage renal disease, the need for renal dialysis, or in any
other manner.

“(2) GROUP HEALTH PLAN.—For purposes of this sub-
section the term ‘group health plan’ means any plan of,
or contributed to by, an employer to provide medical
care (as defined in section 223(d)) to his employees,
former employees, or the families of such employees or
former employees, directly or through insurance,
reimbursement, or otherwise.

paragraph (3)(B)” (relating to terminations and reduced hours), the date which is 18 months after the date of the qualifying
event, and

“(II) any qualifying event not described in sub-
clause (I), the date which is 36 months after the date of the qualifying
event.”

Subsec. (k)(2)(B)(i)(IV), Pub. L. 99–509, §9501(a)(1), added subcl. (IV) (other than a qualifying event described in
paragraph (3)(F)).

Subsec. (k)(2)(B)(i)(III), (IV). Pub. L. 99–509, §9501(b)(1)(A)(i)–(iv), added subcl. (III), redesignated former subcl. (III as (IV), and inserted “or (3)(F)”.

Subsec. (k)(2)(B)(i)(II). Pub. L. 99–514, §1895(d)(3)(A), inserted “The payment of any premium (other than any payment referred to in the last sentence of subpara-
graph (O) shall be considered to be timely if made
within 30 days after the date due or within such longer
period as applies to or under the plan.”

ployment” in heading.


“section 162(k)(2)”.

See 1986 Amendment note below.

Subsec. (i). Pub. L. 100–647, §1011(b)(3)(A), (B), redesignated subsec. (m), relating to special rules for health
insurance costs of self-employed individuals, as (i).

Former subsec. (i), relating to stock redemption ex-
"December 31, 1991” for “September 30, 1990”.

Subsec. (m)(2)(A). Pub. L. 100–647, §1011(b)(3), in-
serted “derived by the taxpayer from the trade or busi-
ness with respect to which the plan providing the medi-
cal care coverage is established” after “1201”.

(4) and redesignated former par. (4) as (5).

Subsec. (n). Pub. L. 100–647, §3011(b)(3)(C), redesign-
ated subsec. (n), (o) as (m).

Pub. L. 100–647, §1011(b)(2), redesignated subsec. (m),
relating to cross references, as (n).

1996—Subsec. (j)(1). Pub. L. 99–272, §10001(d), substi-
tuted “Coordination relating to end stage renal disease”
for “General rule” in heading.

(2) and redesignated former par. (2) as (3).

(k). Former subsec. (k) redesignated (i).

Pub. L. 99–272, §10001(b)(1), added subpar. (F), redesignated subpar. (E) as (F), and inserted “or (3)(F)”.


Subsec. (k)(3). Pub. L. 99–509, §9501(a)(1), added sub-
par. (F) and concluding provisions.

For purposes of paragraph (2), (i) applies shall be
treated as being temporarily away from home during
any period of employment if such period exceeds 1
year.”

Pub. L. 100–647, §1011(b)(2), redesignated subsec. (m),
relating to cross references, as (n).

Subsec. (m). Pub. L. 100–647, §3011(b)(3)(B), (C), redesign-
ated subsec. (n), (o) as (m).

Former subsec. (m), relating to special rules for health
insurance costs of self-employed individuals, redesign-
ated (i).

Pub. L. 100–647, §1011(b)(2), redesignated subsec. (m),
relating to cross references, as (n).

Subsec. (m). Pub. L. 100–647, §1011(b)(3), inserted “derived by the taxpayer from the trade or business with respect to which the plan providing the medical care coverage is established” after “1201”.

Subsec. (m)(4)(5). Pub. L. 100–647, §1011(b)(2), added par. (4) and redesignated former par. (4) as (5).

Subsec. (n). Pub. L. 100–647, §3011(b)(3)(C), redesignated subsec. (n), (o) as (m).

Pub. L. 100–647, §1011(b)(2), redesignated subsec. (m), relating to cross references, as (n).


Subsec. (j)(2), (3). Pub. L. 99–272, §10001(a), added par. (2) and redesignated former par. (2) as (3).


Subsec. (k)(3). Pub. L. 99–509, §9501(a)(1), added sub-
par. (F) and concluding provisions.
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Subsec. (k)(6)(C). Pub. L. 99–514, §1985(d)(6)(A), inserted "within 60 days after the date of the qualifying event".

Subsec. (k)(6)(D)(i). Pub. L. 99–509, §9501(d)(1), substituted "(D), or (F)" for "(or (D))".


Former subsec. (l) redesignated (m). Pub. L. 99–272, §10001(c), redesignated former subsec. (k), relating to cross references, as (l).

Subsec. (m). Pub. L. 99–514, §613(a), added subsec. (m) relating to special rules for health insurance costs of self-employed individuals, and further directed that this section be amended "by redesignating subsection (n) as (m)".

1984—Subsec. (l)(2). Pub. L. 98–369, §235(d), substituted "section 213(d)" for "section 213(e)".


1982—Subsec. (a). Pub. L. 97–216 inserted provisions under which amounts expended by Members of Congress within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $5,000.

Subsec. (c)(1). Pub. L. 97–248, §238(a), substituted "is unlawful under the Foreign Corrupt Practices Act of 1977" for "would be unlawful under the laws of the United States if such laws were applicable to such payment, and to such official or employee" after "government", "the payment", and "or is unlawful under the Foreign Corrupt Practices Act of 1977" for "or would be unlawful under the laws of the United States"

before "shall be upon the Secretary".


Subsec. (i). Pub. L. 97–248, §128(b)(2), redesignated former subsec. (d), relating to group health plans, as (i).

Former subsec. (i), relating to State legislators' travel expenses away from home, redesignated (h).


1981—Subsec. (a). Pub. L. 97–51 struck out provisions under which amounts expended by Members of Congress within each taxable year for living expenses could not be deductible for income tax purposes in excess of $5,000.


See 1982 Amendment note above.

Pub. L. 97–34 added subsec. (h) relating to State legislators' travel expenses away from home. Former subsec. (h), relating to cross references, redesignated (i).

Subsec. (i). Pub. L. 97–35 redesignated former subsec. (h), as added by Pub. L. 97–34 and relating to State legislators' travel expenses away from home, as (i).

See 1982 Amendment note above.

Subsec. (j). Pub. L. 97–34 redesignated former subsec. (h), relating to cross references, as (j).

See 1982 Amendment note above.

Subsec. (c). Pub. L. 94–455, §613(a), redesignated former subsec. (f) as (h), as added by Pub. L. 93–455, §1010(b)(13)(A), struck out paragraph (1) and (2) and added paragraph (3).


1969—Subsec. (c). Pub. L. 91–172, §902(b), designated existing provisions as par. (1), extended the applicability of nondeductible expenses for payments to any official or employee of any government, or of any agency or instrumentality of any government, and added pars. (2) and (3).

Subsecs. (f), (g). Pub. L. 91–172, §902(a), added subsecs. (f) and (g). Former subsec. (f) redesignated (h).

Subsec. (b). Pub. L. 91–317, §§518(c)(2)(A), 902(a), redesignated former subsec. (f) as (h), substituted "(1) For" for "For", and inserted reference to section 1253 for special rule relating to the treatment of payments by a transferee of a franchise, trademark, or trade name.

Effective Date of 2017 Amendment

Amendment by section 11002(d)(6) of Pub. L. 115–97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115–97, set out as a note under section 1 of this title.
section [amending this section and section 6033 of this title] shall apply to amounts paid or incurred on or after the date of the enactment of this Act [Dec. 22, 2017].”


Pub. L. 115–97, title I, §13601(e), Dec. 22, 2017, 131 Stat. 2156, provided that: 

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2017.

“(2) EXCEPTION FOR BINDING CONTRACTS.—The amendments made by this section shall not apply to remuneration which is provided pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified in any material respect on or after such date.”

**Effective Date of 2014 Amendment**


**Effective Date of 2011 Amendment**

Amendment by Pub. L. 112–10 effective as if included in the provisions of, and the amendments made by, the provisions of Pub. L. 111–148 to which it relates, see section 1858(d) of Pub. L. 111–148, set out as a note under section 261 of this title.

**Effective Date of 2010 Amendment**


Pub. L. 111–148, title IX, §9014(b), Mar. 23, 2010, 124 Stat. 870, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2009, with respect to services performed after such date.”


**Effective Date of 2008 Amendment**


**Effective Date of 2004 Amendment**


**Effective Date of 2003 Amendment**

Amendment by Pub. L. 108–121 applicable to amounts paid or incurred in taxable years beginning after Dec. 31, 2002, see section 106(c) of Pub. L. 108–121, set out as a note under section 62 of this title.

**Effective Date of 1998 Amendments**


Amendment by Pub. L. 105–206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105–34, to which such amendment relates, see section 6024 of Pub. L. 105–206, set out as a note under section 1 of this title.

**Effective Date of 1997 Amendment**


Pub. L. 105–34, title XII, §1209(b), Aug. 5, 1997, 111 Stat. 955, provided that: “The amendments made by subsection (a) [amending this section] shall apply to amounts paid or incurred with respect to taxable years ending after the date of the enactment of this Act [Aug. 5, 1997].”

Amendment by section 1620(c) of Pub. L. 105–34 effective as if included in the provisions of, and the amendments made by, the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104–191, to which such amendment relates, see section 16221(a) of Pub. L. 105–34, set out as a note under section 26 of this title.

**Effective Date of 1996 Amendment**

Amendment by section 311(a) of Pub. L. 104–191 applicable to taxable years beginning after Dec. 31, 1996, see section 311(c) of Pub. L. 104–191, set out as a note under section 104 of this title.


Pub. L. 104–188, title I, §1704(p)(4), Aug. 20, 1996, 110 Stat. 1888, provided that: “(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection [amending this section] shall apply to amounts paid or incurred after September 13, 1995, in taxable years ending after such date.”

(B) PARAGRAPH (2).—The amendment made by paragraph (2) [amending this section] shall take effect as if included in the amendment made by section 613 of the Tax Reform Act of 1986 [Pub. L. 99–514].”

**Effective Date of 1995 Amendment**

Pub. L. 104–7, §1(c), Apr. 11, 1995, 109 Stat. 93, provided that:

“(1) EXTENSION.—The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1993.

“(2) INCREASE.—The amendment made by subsection (b) [amending this section] shall apply to taxable years beginning after December 31, 1994.”

**Effective Date of 1993 Amendment**

Amendment by section 13313(d)(2) of Pub. L. 103–66 applicable to taxable years beginning after Dec. 31, 1993, see section 13313(e) of Pub. L. 103–66, set out as a note under section 32 of this title.


section (a) [amending this section] shall apply to amounts which would otherwise be deductible for taxable years beginning on or after January 1, 1984."

Pub. L. 100–78, title XIII, § 13222(e), Aug. 10, 1993, 107 Stat. 481, provided that: "[The amendments made by this section (amending this section and sections 170, 6033, and 7671 of this title) shall apply to amounts paid or incurred after December 31, 1993."

Pub. L. 100–66, title XIII, § 13222(e), Aug. 10, 1993, 107 Stat. 481, provided that: "The amendments made by this section (amending this section and sections 170, 6033, and 7671 of this title) shall apply to amounts paid or incurred after December 31, 1993."

Pub. L. 100–66, title XIII, § 13222(e), Aug. 10, 1993, 107 Stat. 481, provided that: "The amendments made by this section (amending this section and sections 170, 6033, and 7671 of this title) shall apply to amounts paid or incurred after December 31, 1993."

Pub. L. 100–78, title XIII, § 13222(e), Aug. 10, 1993, 107 Stat. 481, provided that: "The amendments made by this section (amending this section and sections 170, 6033, and 7671 of this title) shall apply to amounts paid or incurred after December 31, 1993."

Pub. L. 100–66, title XIII, § 13222(e), Aug. 10, 1993, 107 Stat. 481, provided that: "The amendments made by this section (amending this section and sections 170, 6033, and 7671 of this title) shall apply to amounts paid or incurred after December 31, 1993."

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out as notes under section 106 of this title and sections 1161 and 1166 of Title 29 shall apply in the case of plan years ending during the 12-month period beginning July 1, 1958, but only with respect to taxable years ending after December 31, 1958.''

"(A) a qualifying event described in section 162(k)(3)(F) of the Internal Revenue Code of 1986 or section 603(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163(6)), and

"(B) a qualifying event described in section 162(k)(3)(A) of the Internal Revenue Code of 1986 or section 603(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163(1)) relating to the death of a retired employee occurring after the date of the qualifying event described in subparagraph (A).


"(4) Notice.—In the case of a qualifying event described in section 603(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163(6)) that occurred before the date of the enactment of this Act [Oct. 21, 1986], the notice required under section 606(2) of such Act (29 U.S.C. 1166(2)) (and under section 162(k)(6)(B) of the Internal Revenue Code of 1986) with respect to such event shall not be provided no later than 30 days after the date of the enactment of this Act [Oct. 21, 1986]."

Amendment by Pub. L. 99–272 applicable to plan years beginning on or after July 1, 1986, with special rule for collective bargaining agreements, see section 1001(e) of Pub. L. 99–272, set out as a note under section 106 of this title.

**Effective Date of 1984 Amendment**

Pub. L. 98–573, title II, §232(b), Oct. 30, 1984, 98 Stat. 2991, provided that: "The amendment made by subsection (a) of this section shall apply to taxable years beginning after the date of the enactment of this Act [Oct. 30, 1984]."

Amendment by section 512(b) of Pub. L. 98–369 applicable to amounts paid or incurred after July 18, 1984, in taxable years ending after such date, subject to an exception for certain extended vacation pay plans, see section 512(c) of Pub. L. 98–369, set out as a note under section 404 of this title.

Amendment by section 2354(d) of Pub. L. 98–369 effective July 18, 1984, but not to be construed as changing or affecting any right, liability, status, or interpretation which existed (under the provisions of law involved) before that date, see section 2354(e) of Pub. L. 98–369, set out as a note under section 1320a–1 of Title 29, The Public Health and Welfare.

**Effective Date of 1982 Amendment**

Pub. L. 97–248, title II, §288(c), Sept. 3, 1982, 96 Stat. 571, provided that: "The amendments made by this section [amending this section and sections 952 and 964 of this title] shall apply to payments made after the date of the enactment of this Act [Sept. 3, 1982]."

Amendment by section 128(b) of Pub. L. 97–248 effective as if such amendment had been originally included as part of this section as this section was amended by the Omnibus Budget Reconciliation Act of 1981, Pub. L. 97–35, see section 128(e)(2) of Pub. L. 97–248, set out as a note under section 1395x of Title 42, The Public Health and Welfare.

Pub. L. 97–216, title II, §215(d), July 18, 1982, 96 Stat. 194, provided that: "The amendments made by this section [amending this section and section 280A of this title and repealing provisions set out as a note under this section] shall apply to taxable years beginning after December 31, 1981."

**Effective Date of 1981 Amendment**


Pub. L. 97–35, title XXI, §2146(c)(2), Aug. 13, 1981, 95 Stat. 801, provided that: "The amendments made by subsection (b) [amending this section] shall be effective with respect to taxable years beginning on or after January 1, 1982.''

Pub. L. 97–34, title I, §127(b), Aug. 13, 1981, 95 Stat. 203, provided that: "The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning on or after January 1, 1976."

**Effective Date of 1976 Amendment**

Amendment by section 1901(c)(4) of Pub. L. 94–455 applicable with respect to taxable years beginning after Dec. 31, 1976, see section 1901(d) of Pub. L. 94–455, set out as a note under section 2 of this title.

**Effective Date of 1971 Amendment**

Pub. L. 92–178, title III, §310(b), Dec. 10, 1971, 85 Stat. 525, provided that: "The amendments made by subsection (a) of this section shall apply with respect to payments after December 30, 1969, except that section 162(k)(3) of the Internal Revenue Code of 1964 (as added by subsection (a)) shall apply only to payments and amounts paid or incurred after December 31, 1969. Section 162(k)(6)(B) of such Code (as amended by subsection (b)) shall apply to all taxable years to which such Code applies. Section 162(g) of such Code (as added by subsection (a)) shall apply with respect to amounts paid or incurred after December 31, 1969. Section 162(c)(1) of such Code (as amended by subsection (b)) shall apply to all taxable years to which such Code applies. Sections 162(c)(2) and (3) of such Code (as amended by subsection (b)) shall apply with respect to payments made after the date of the enactment of this Act (Dec. 30, 1969)."


**Effective Date of 1962 Amendment**

Pub. L. 97–834, §4(c), Oct. 16, 1962, 76 Stat. 977, provided that: "The amendments made by this section [amending this section and enacting section 274 of this title] shall apply with respect to taxable years ending after December 31, 1962, but only in respect of periods after such date."


**Effective Date of 1960 Amendment**

Pub. L. 96–779, §7(c), Sept. 14, 1960, 74 Stat. 1002, provided that: "The amendments made by subsections (a) and (b) [amending this section and section 170 of this title] shall apply with respect to taxable years beginning after December 31, 1959."

Pub. L. 95–779, §8(d), Sept. 14, 1960, 74 Stat. 1003, provided that: "The amendments made by subsections (a), (b), and (c) [amending this section and section 1054 of this title and adding table of sections for Part IV by adding item 1054 and numbering former item 1054 as 1055] shall apply with respect to taxable years beginning after December 31, 1959."

**Effective Date of 1958 Amendment**

Pub. L. 85–866, title I, §5(b), Sept. 2, 1958, 72 Stat. 1608, provided that: "The amendments made by subsection (a)}
[amending this section] shall apply only with respect to expenses paid or incurred after the date of the enactment of this Act [Sept. 2, 1958]. The determination as to whether any expense paid or incurred on or before the date of the enactment of this Act shall be allowed as a deduction shall be made as if this section had not been enacted and without inference drawn from the fact that this section is not made applicable with respect to expenses paid or incurred on or before the date of the enactment of this Act."

DEDUCTION FOR SPECIAL ASSESSMENTS

Pub. L. 104–208, div. A, title II, § 2711, Sept. 30, 1996, 110 Stat. 3009–498, provided that, for purposes of subtitile A of this title, the amount allowed as a deduction under this section for a taxable year would include any amount paid during that year by reason of an assessment under section 2702 of Pub. L. 104–208, formerly set out as a note under section 1217 of Title 12, Banks and Banking, and that former section 172(f) of this title would not apply to that deduction.

SPECIAL RULE FOR DEDUCTIONS UNDER SUBSECTION (I) FOR CERTAIN TAXABLE YEARS

Pub. L. 102–227, title I, § 110(a)(2), Dec. 11, 1991, 105 Stat. 1688, provided that, in the case of any taxable year beginning in 1992 only amounts paid before July 1, 1992 by the individual for insurance coverage for periods before July 1, 1992, would be taken into account in determining the amount deductible under subsec. (I) of this section with respect to such individual for such taxable year, and that for purposes of subparagraph (A) of subsec. (I)(2) of this section, the amount of the earned income described in such subparagraph taken into account for such taxable year would be the amount which bears the same ratio to the total amount of such earned income as the number of months in such taxable year ending before July 1, 1992, bears to the number of months in such taxable year, prior to repeal by Pub. L. 103–66, title XIII, § 13174(a)(2), Aug. 10, 1993, Pub. L. 103–44, title XII, § 1203(b), July 18, 1992, 96 Stat. 194.

STATE LEGISLATORS’ TRAVEL EXPENSES AWAY FROM HOME


“(a) In General.—For purposes of section 162(a) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], in the case of any individual who was a State legislator at any time during any taxable year beginning before January 1, 1981, and who, for the taxable year, elects the application of this section, for any period during such taxable year in which he was a State legislator—

“(1) the place of residence of such individual within the legislative district which he represented shall be considered his home, and

“(2) he shall be deemed to have expended for living expenses (in connection with his trade or business as a legislator) an amount equal to the sum of the amounts determined by multiplying each legislative day of such individual during the taxable year by the amount generally allowable with respect to such day to employees of the executive branch of the Federal Government for per diem while away from home but serving in the United States.

“(b) Legislative Days.—For purposes of subsection (a), a legislative day during any taxable year for any individual shall be any day during such year on which

“(1) the legislature was in session (including any day in which the legislature was not in session for a period of 4 consecutive days or less), or

“(2) the legislature was not in session but the physical presence of the individual was formally recorded at a meeting of a committee of such legislature.

“(c) Limitation.—The amount taken into account as living expenses attributable to a trade or business as a legislator for any taxable year beginning before January 1, 1976, under an election made under this section shall not exceed the amount claimed for such purpose under a return (or amended return) filed before May 21, 1976.

“(d) Making and Effect of Election.—An election under this section shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe.”

[Amendment of section 604 of Pub. L. 94–455 by section 1 of Pub. L. 96–178, which purported to substitute “January 1, 1979” for “January 1, 1978”, was not executed because of the prior amendment by section 3(a)(2), (b) of Pub. L. 96–167 which substituted “January 1, 1981” for “January 1, 1978” in subsec. (a) and which struck out the last sentence of subsec. (d)].

DENIAL OF DEDUCTION FOR AMOUNTS PAID OR INCURRED ON JUDGMENTS IN SUITS BROUGHT TO COVER PRICE INCREASES IN PURCHASE OF NEW PRINCIPAL RESIDENCE

No deductions to be allowed in computing taxable income for two-thirds of any amount paid or incurred on a judgment entered against any person in a suit brought under section 261 of Pub. L. 94–12, note under section 208(c) of Pub. L. 94–12, title II, Mar. 29, 1975, 89 Stat. 33, set out as a note under section 44 of this title.
DEDUCTIBILITY OF ACCRUED VACATION PAY


INVESTIGATION OF, AND REPORTS ON, TREATMENT OF ENTERTAINMENT AND CERTAIN OTHER EXPENSES

Pub. L. 86–564, title III, §301, June 30, 1960, 74 Stat. 291, authorized the Joint Committee on Internal Revenue Taxation to investigate and report on the use of entertainment and certain other expense deductions to the 87th Congress and authorized the Secretary of the Treasury to report to the 87th Congress on the enforcement program of the Internal Revenue Service relating to such deductions.

FILING OF CLAIMS FOR REFUNDS OF OVERPAYMENTS

Extension of time for filing of claims for refunds or credit of overpayments of income tax resulting from application of this section, see section 96 of Pub. L. 85–866, set out as a note under section 6511 of this title.

§163. Interest

(a) General rule

There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness.

(b) Installment purchases where interest charge is not separately stated

(1) General rule

If personal property or educational services are purchased under a contract—

(A) which provides that payment of part or all of the purchase price is to be made in installments, and

(B) in which carrying charges are separately stated but the interest charge cannot be ascertained,

then the payments made during the taxable year under the contract shall be treated for purposes of this section as if they included interest equal to 6 percent of the average unpaid balance under the contract during the taxable year. For purposes of the preceding sentence, the average unpaid balance is the sum of the unpaid balance outstanding on the first day of each month beginning during the taxable year, divided by 12. For purposes of this paragraph, the term "educational services" means any service (including lodging) which is purchased from an educational organization described in section 170(b)(1)(A)(ii) and which is provided for a student of such organization.

(2) Limitation

In the case of any contract to which paragraph (1) applies, the amount treated as interest for any taxable year shall not exceed the aggregate carrying charges which are properly attributable to such taxable year.

(c) Redeemable ground rents

For purposes of this subtitle, any annual or periodic rental under a redeemable ground rent (excluding amounts in redemption thereof) shall be treated as interest on an indebtedness secured by a mortgage.

(d) Limitation on investment interest

(1) In general

In the case of a taxpayer other than a corporation, the amount allowed as a deduction under this chapter for investment interest for any taxable year shall not exceed the net investment income of the taxpayer for the taxable year.

(2) Carryforward of disallowed interest

The amount not allowed as a deduction for any taxable year by reason of paragraph (1) shall be treated as investment interest paid or accrued by the taxpayer in the succeeding taxable year.

(3) Investment interest

For purposes of this subsection—

(A) In general

The term "investment interest" means any interest allowable as a deduction under this chapter (determined without regard to paragraph (1)) which is paid or accrued on indebtedness properly allocable to property held for investment.

(B) Exceptions

The term "investment interest" shall not include—

(i) any qualified residence interest (as defined in subsection (h)(3)), or

(ii) any interest which is taken into account under section 469 in computing income or loss from a passive activity of the taxpayer.

(C) Personal property used in short sale

For purposes of this paragraph, the term "interest" includes any amount allowable as a deduction in connection with personal property used in a short sale.

(4) Net investment income

For purposes of this subsection—

(A) In general

The term "net investment income" means the excess of—

(i) investment income, over

(ii) investment expenses.

(B) Investment income

The term "investment income" means the sum of—

(i) gross income from property held for investment (other than any gain taken into account under clause (ii)(I)),

(ii) the excess (if any) of—

(I) the net gain attributable to the disposition of property held for investment, over

(II) the net capital gain determined by only taking into account gains and losses from dispositions of property held for investment, plus

(iii) so much of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net gain referred to in clause (ii)(I)) as the
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-26, FLORIDA ADMINISTRATIVE CODE

REFUNDS

AMENDING RULE 12-26.008

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12-26.008, F.A.C., provide clarification for taxpayer representatives on two forms used to apply for tax refunds from the Department.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The proposed changes are necessary to clarify how taxpayer representatives can complete and file refund claims.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3092), to advise the public of the proposed changes to Rule 12-26.008, F.A.C., and to provide that, if requested in writing, a rule
development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING

AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12-26.008, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING

OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4201-4202), to advise the public of the proposed changes to Rule 12-26.008, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.
12-26.008 Public Use Forms.

(1) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) DR-26</td>
<td>Application for Refund (R. 04/18)</td>
<td>01/19</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-09245">http://www.flrules.org/Gateway/reference.asp?No=Ref-09245</a>)</td>
<td>04/18</td>
</tr>
<tr>
<td>(3) DR-26S</td>
<td>Application for Refund-Sales and Use Tax (R. 04/18)</td>
<td>01/19</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-09246">http://www.flrules.org/Gateway/reference.asp?No=Ref-09246</a>)</td>
<td>04/18</td>
</tr>
</tbody>
</table>

(4) through (7) No change.

Rulemaking Authority 213.06(1) FS. Law Implemented 72.011, 199.218, 201.11, 202.23, 206.41, 206.64, 206.8745, 206.9875, 206.9942, 212.08(2)(j), (5), (7), 212.12(6)(a), (c), 212.13(1), (2), 212.17(1), (2), (3), 213.255(2), (3), (4), (12), 213.34, 215.26, 220.725, 220.727, 624.5092, 681.104 FS. History—New 11-14-91, Amended 4-18-93, 10-4-01, 9-28-04, 4-16-18.
# Application for Refund

## Section 1: Taxpayer Information

<table>
<thead>
<tr>
<th>Taxpayer Name:</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Business Partner Number:</th>
<th>Federal Employer Identification Number (FEIN):</th>
<th>Social Security Number (SSN)*:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Mailing Street Address:</th>
<th></th>
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</table>

<table>
<thead>
<tr>
<th>Mailing City:</th>
<th>State:</th>
<th>ZIP:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Location Street Address:</th>
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</thead>
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<th>ZIP:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Telephone Number (include area code):</th>
<th>Fax Number (include area code):</th>
<th>Email Address (optional):</th>
</tr>
</thead>
</table>

## Section 2: Taxpayer Representative - This section is to be completed when a taxpayer representative is requesting the refund. A signed Florida Department of Revenue Power of Attorney and Declaration of Representative (Form DR-835) must be attached.

<table>
<thead>
<tr>
<th>Representative Name:</th>
<th></th>
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</table>

<table>
<thead>
<tr>
<th>Street or Mailing Address:</th>
<th></th>
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</table>

<table>
<thead>
<tr>
<th>City:</th>
<th>State:</th>
<th>ZIP:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Telephone Number:</th>
<th>Fax Number:</th>
<th>Email Address (optional):</th>
</tr>
</thead>
</table>

## Section 3: Collection or Reporting Period(s) - Enter the date the tax was paid and the collection or reporting period(s).

<table>
<thead>
<tr>
<th>Date Paid (MM / DD / YY):</th>
<th>Collection or Reporting Dates (MM / DD / YY):</th>
</tr>
</thead>
</table>

## Section 4: Tax Categories - Check the box next to the type of tax you paid. A separate application must be completed for each tax type.

- Communications Services
- Estate
- Insurance Premium
- Other (Please Specify):
- Corporate Income
- Fuel
- Nonrecurring Intangible
- Documentary Stamp
- Governmental Leasehold
- Pollutant

## Section 5: Refund Amount - Enter the refund amount. Provide a brief explanation for the refund claim.

<table>
<thead>
<tr>
<th>Refund Amount:</th>
<th>Brief Explanation for Refund:</th>
</tr>
</thead>
</table>


*Social security numbers (SSNs) are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's taxes. SSNs obtained for tax administration purposes are confidential under sections 213.053 and 119.071, Florida Statutes, and not subject to disclosure as public records. Collection of your SSN is authorized under state and federal law. Visit the Department's website at floridarevenue.com/privacy for more information regarding the state and federal law governing the collection, use, or release of SSNs, including authorized exceptions.

**Authorization and Signature**
Under penalties of perjury, I declare that I have read the foregoing application and the facts stated in it are true.

Taxpayer Signature

OR

Representative Signature

Mail this application and applicable documentation to:
Florida Department of Revenue
Refunds
PO Box 6490 OR Fax 850-410-2526
Tallahassee FL 32314-6490

For more information about the documentation needed to process your refund, or to check on the application status, call Refunds at 850-617-8585.

**Contact Us**
Information, forms, and tutorials are available on the Department's website at floridarevenue.com.

To find a taxpayer service center near you, visit floridarevenue.com/taxes/servicecenters.

For written replies to tax questions, write to:
Taxpayer Services - Mail Stop 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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**Reference**
The following document was mentioned in this form and is incorporated by reference in the rule indicated below.
The form is available online at floridarevenue.com/forms.

Form DR-835 Florida Department of Revenue Power of Attorney and Declaration of Representative Rule 12-6.0015, F.A.C.
## Section 1: Taxpayer Information

<table>
<thead>
<tr>
<th>Taxpayer Name:</th>
<th>Sales Tax Certificate Number:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Business Partner Number:</th>
<th>Federal Employer Identification Number (FEIN):</th>
<th>Social Security Number (SSN) *:</th>
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## Section 2: Taxpayer Representative

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## Section 3: Collection or Reporting Period(s)

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<tr>
<th>Collection or Reporting Dates (MM / DD / YY to MM / DD / YY):</th>
</tr>
</thead>
</table>

## Section 4: Tax Categories

- Check the box next to the type of tax you paid. A separate application must be completed for each fee or tax type.

- Amusement Machine Certificate Fee
- Solid Waste Fees
- Battery Fees
- New Tire Fees
- Discretionary Sales Surtax
- Rental Car Surcharg
- Sales and Use Tax
- Gross Receipts Tax on Dry Cleanin
- Transient Rental Tax Paid to the Department
- Other (Please specify): 


Check the box next to the reason for your refund claim.

☐ Amended Replacement Return    ☐ Estimated Tax
☐ Audit Overpayment              ☐ Exempt Sales
☐ Bad Debt                      ☐ Florida Neighborhood Revitalization
☐ Community Contribution         ☐ FL Rural Areas of Opportunity
☐ Tax Credit                    ☐ New/Expanding Business Equipment
☐ Credit Memos                  ☐ Motor Vehicles/Boat/
☐ Duplicate Payment             ☐ Mobile Homes/Aircraft
                                                     ☐ Motor Vehicle
                                                     ☐ Repurchase/Replacement
                                                     ☐ Real Property Lease
                                                     ☐ Repossessed Merchandise
                                                     ☐ Transient Rental
                                                     ☐ Other (Please specify): 

Section 5: Refund Amount - Enter the refund amount. Provide a brief explanation for the refund claim.

Refund Amount: 

Brief Explanation for Refund: 

*Social security numbers (SSNs) are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's taxes. SSNs obtained for tax administration purposes are confidential under sections 213.053 and 119.071, Florida Statutes, and not subject to disclosure as public records. Collection of your SSN is authorized under state and federal law. Visit the Department’s website at floridarevenue.com/privacy for more information regarding the state and federal law governing the collection, use, or release of SSNs, including authorized exceptions.

Authorization and Signature

Under penalties of perjury, I declare that I have read the foregoing application and the facts stated in it are true.

Taxpayer Signature

OR

Representative Signature

Date

Date

Mail this application and applicable documentation to:

Florida Department of Revenue
Refunds
PO Box 6490
Tallahassee FL 32314-6490

OR

Fax 850-410-2526

For more information about the documentation needed to process your refund, or to check on the application status, call Refunds at 850-617-8585.

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Reference

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Form DR-835 Florida Department of Revenue Power of Attorney and Declaration of Representative

Rule 12-6.0015, F.A.C.
STATE OF FLORIDA

DEPARTMENT OF REVENUE

CHAPTER 12-29, FLORIDA ADMINISTRATIVE CODE

MULTITAX CREDITS

AMENDING RULES 12-29.001, 12-29.002, AND 12-29.003

SUMMARY OF PROPOSED RULES

The proposed amendments to Rules 12-29.001, 12-29.002, and 12-29.003, F.A.C., incorporate statutory changes made by Sections 6, 7, 15, and 48, Chapter 2018-6, L.O.F. These changes address when an application for a credit allocation must be submitted; when a credit taken as a deduction for federal tax purposes must be added back to income for Florida tax purposes; and remove the application requirement to carryforward unused credits.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed changes are necessary to implement statutory changes related to the Florida Tax Credit Scholarship program.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, pp. 3092-3093), to advise the public of the proposed changes to Rules 12-19.001, 12-29.002, and 12-29.003, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING

AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rules 12-29.001, 12-29.002, and 12-29.003, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING

OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4202-4208), to advise the public of the proposed changes to Rules 12-29.001, 12-29.002, and 12-29.003, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.
12-29.001 Scope.

This rule chapter sets forth the rules to be used in the administration of tax credits for contributions made to nonprofit scholarship-funding organizations (SFOs) under Section 1002.395, F.S., Florida Tax Credit Scholarship Program. That program allows taxpayers to receive a credit allocation for contributions made to SFOs nonprofit scholarship-funding organizations. This rule chapter establishes procedures governing the approval of tax credit allocations and rescindments, the approval for carryforward tax credits to a subsequent tax year, procedures for transferring tax credits, and the procedures to be followed by taxpayers when claiming tax credits on tax returns.

Rulemaking Authority 1002.395(13) F.S. Law Implemented 211.0251, 212.1831, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (13) FS. History–New 6-6-11, Amended 7-28-15.

12-29.002 Florida Tax Credit Scholarship Program; Participation; Allocation; Carryforward; Transfer; Rescindment.

(1) Definitions. For purpose of this rule, the following terms mean:

(a) No change.
(b) “Contribution” means an eligible contribution, as defined in Section 1002.395(2), F.S., made to an eligible nonprofit scholarship-funding organization.

(c) through (e) No change.

(f) “Eligible nonprofit scholarship-funding organization” or “SFO” means a charitable organization as defined in Section 1002.395(2), F.S. A list of SFOs eligible nonprofit scholarship funding organizations established by the Department of Education is available at www.fldoe.org/schools/school-choice www.floridaschoolchoice.org/.

(g) through (h) No change.

(2) Taxpayers eligible to participate in the program. Taxpayers who pay any of the following taxes may apply to the Department for a credit allocation as follows:

(a) For the taxes administered by the Department:

1. through 2. No change.

3. Florida state sales and use tax self-accrued and paid directly to the Department in accordance with taxpayers who hold a valid Sales and Use Tax Direct Pay Permit, issued by the Department, as provided in Section 212.183, F.S., and Rule 12A-1.0911, F.A.C.

4. Florida taxpayers who pay tax on oil production tax in Florida imposed under Section 211.02, F.S., or Florida taxpayers who pay tax on gas production tax in Florida imposed under Section 211.025, F.S.

(b) No change.

(3) Applications for credit allocations.

(a) To receive a credit allocation, taxpayers must apply online using the Department’s website at www.floridarevenue.com or submit an Florida Tax Credit Scholarship Program – Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding
Organizations (Form DR-116000, incorporated by reference in Rule 12-29.003, F.A.C.) to the Department.

1. through 2. No change.

(b) A separate application to receive a credit allocation is required for:

1. Each SFO eligible nonprofit scholarship funding organization the taxpayer intends to support; and,

2. No change.

3. Each tax credit cap year.

(c) Taxpayers are eligible to apply during the following periods to receive a credit allocation from each annual tax credit cap for the following taxes as follows:

1. Corporate Income Tax – A taxpayer may make an application for a credit allocation on the first business day of January of each calendar year for its tax year that begins during that calendar year. For tax years beginning before January 1, 2018, the application must be submitted on or before the last day of the taxpayer’s corporate income tax year. For tax years beginning January 1, 2018, or later, the application must be submitted before the date the taxpayer is required to file its corporate income/franchise tax return for that tax year pursuant to Section 220.222, F.S., including a valid extended due date.

   a. Example: A calendar year taxpayer may apply for a credit allocation for the 2017-2018 state fiscal year credit beginning on January 3, 2017. The application must be submitted on or before December 31, 2017.

   b. Example: A taxpayer with a tax year beginning December 1, 2017, and ending November 30, 2018, may apply for a credit allocation for the 2017-

c. Example: A calendar year taxpayer may apply for a credit allocation for the 2018-2019 state fiscal year credit beginning on January 2, 2018. The application must be submitted before May 1, 2019; however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before November 1, 2019.

d. Example: A taxpayer with a tax year beginning December 1, 2018, and ending November 30, 2019, may apply for a credit allocation for the 2018-2019 state fiscal year credit beginning on January 2, 2018. The application must be submitted before April 1, 2020; however, if the due date of the taxpayer’s corporate income/franchise tax return is validly extended, the application may be submitted before October 1, 2020.

2. Insurance Premium Tax – An application for a credit allocation may be made beginning on the first business day of January of each calendar year and may not be made after December 31 of that calendar year. Example: For the 2018-2019 state fiscal year tax credit cap, a taxpayer may submit an application for a credit allocation beginning on January 2, 2018. The application must be made on or before December 31, 2018.

3. Sales and Use Tax – Tax on Oil and Gas Production – Excise Taxes on Liquor, Wine, and Malt Beverages – A taxpayer may make an application for a credit allocation on the first business day of January of the calendar year preceding the state fiscal year beginning on July 1 of the calendar year. The application must be made by June 30 of the state fiscal year for which the taxpayer is applying. For example, for a credit allocation for the 2018-2019 state fiscal year, taxpayers may apply for a credit allocation beginning on January 2, 2018. The application must be made on or before June 30, 2019.
(d) The Department will accept applications until either the tax credit cap is reached, or until the end of the state fiscal year for sales and use tax, the tax on oil and gas production, and the excise taxes on liquor, wine, and malt beverages; or until the end of the tax year for corporate income tax and insurance premium tax; or until the due date of the taxpayer’s corporate income/franchise tax return for corporate income tax, whichever occurs first.

(4) Notification.

(a) The Department will approve credit allocations on a first-come, first-served basis. Following receipt of an application, the Department will send written correspondence regarding the amount of the credit allocation for each tax applied for, or the reason the credit allocation could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the credit allocation before the Department will issue such correspondence.

(b) When approved, the Department’s approval letter will specify the period in which the contribution to the designated SFO nonprofit scholarship funding organization must be made. Contributions must be made during the period specified in the approval letter. The SFO organization receiving a contribution will issue the taxpayer a certificate of contribution signed by an officer or authorized representative of the SFO organization containing:

1. through 5. No change.

6. Name of SFO eligible nonprofit scholarship funding organization.

(c) The amount of tax credit claimed on a tax return is limited to the amount of contribution contained in the certificate of contribution issued by an SFO eligible nonprofit scholarship funding organization. The taxpayer must make the contribution before the credit is claimed on a tax return.
(d) No change.

(e) When an SFO eligible nonprofit scholarship funding organization is unable to accept the taxpayer’s contribution, or a part of the contribution, because of its obligations under Section 1002.395, F.S., the taxpayer may make a contribution or partial contribution to another SFO eligible nonprofit scholarship funding organization. The organization unable to accept the taxpayer’s contribution must provide a written statement to the taxpayer declining the contribution. The taxpayer is required to keep the written statement with its books and records.

(5) Tax Credits.

(a) Corporate Income Tax – A For tax years ending on or after July 1, 2011, a tax credit of 100 percent of the contribution against any corporate income tax due for the tax year is allowed. The amount of the tax credit for a tax year:

a. Is taken in the order of the credits provided against the corporate income tax in Section 220.02(8), F.S.;

b. Must be reduced by the difference in federal corporate income tax due computed with the credit and without the credit; and,

c. Must be added back to taxable income in determining Florida corporate income tax due.

For tax years beginning on or after January 1, 2018, if the amount of a credit taken under Section 220.1875, F.S., is added to federal taxable income on the Florida corporate income/franchise tax return in a previous tax year and is taken as a deduction for federal tax purposes in the current tax year, the amount of the federal deduction is not required to be added to federal taxable income on the Florida corporate income/franchise tax return in the current year. This provision ensures that the amount of the credit taken under Section 220.1875, F.S., is added to federal taxable income in the applicable tax year and does not result in a duplicate addition in a
d. Is revoked and rescinded when a taxpayer applies for a credit allocation after timely requesting an extension of time in which to file its Florida corporate income/franchise tax return and fails to remit sufficient tentative tax, such that its extension is not valid under Sections 220.222 and 220.32, F.S.

2. Taxpayers must attach a copy of the certificate of contribution from each SFO eligible nonprofit scholarship funding organization to the Florida corporate income/franchise tax return on which the credit allocation, or a portion of the credit allocation, is taken as a tax credit.

(b)1. Insurance Premium Tax – A tax credit of 100 percent of the contribution against any insurance premium tax due under Section 624.509(1), F.S., for the tax year is allowed. The amount of the tax credit for a tax year is limited to the insurance premium tax due after deducting:

a. Assessments made pursuant to Section 440.51, F.S. (workers’ compensation administrative assessments);

b. No change.

c. Credits for income taxes and emergency excise taxes paid under Chapter 220 and Chapter 221, F.S., and the salary credit allowed under Section 624.509(5), F.S., as these are limited by Section 624.509(6), F.S. (the 65 percent limitation).

2. Taxpayers must attach a copy of the certificate of contribution from each SFO eligible nonprofit scholarship funding organization to the tax return on which the credit allocation, or a portion of the credit allocation, is taken as a tax credit.

(c)1. Sales and Use Tax – A tax credit of 100 percent of the contribution is allowed against any state sales and use tax due self-accrued and paid directly to the Department in accordance
with imposed under Chapter 212, F.S., to any taxpayer who holds a valid Sales and Use Tax Direct Pay Permit issued by the Department.

2.a. Taxpayers must submit a copy of the certificate of contribution from each SFO eligible nonprofit scholarship funding organization to:

Florida Department of Revenue
Revenue Accounting
P.O. Box 6609
Tallahassee, FL 32314-6609

b. Following Within ten days of receipt of the copy of the certificate, the Department will send written instructions on how to claim the credit allocation as a tax credit on a sales and use tax return remitted to the Department by electronic means.

(d)1. No change.

2. Taxpayers must attach a copy of the certificate of contribution from each SFO eligible nonprofit scholarship funding organization to the tax return on which the credit allocation, or a portion of the credit allocation, is taken as a tax credit.

(e)1. Excise Tax on Liquor, Wine, and Malt Beverages – A tax credit of 100 percent of the contribution is allowed against the following taxes administered by the Division.

a. No change.

b. Excise tax on wine beverages imposed under Section 564.06, F.S., except excise taxes imposed on wine produced by manufacturers in Florida from products grown in Florida; or

c. No change.
2. The tax credit taken on a return filed with the Division is limited to 90 percent of the tax due on the return. Taxpayers must attach a copy of the certificate of contribution from each SFO eligible nonprofit scholarship funding organization to the tax return on which the credit allocation, or a portion of the credit allocation, is taken as a tax credit.

(f) Contributions to an SFO eligible nonprofit scholarship funding organization are not payments of estimated tax or installment payments of tax. However, credits earned for contributions to an SFO eligible nonprofit scholarship funding organization made on or after July 1, 2014, for corporate income tax or insurance premium tax will be taken into account when determining the estimated payment amounts required to meet the prior year exceptions for each tax. Cross reference: Rules 12C-1.034 and 12B-8.001, F.A.C.

(6) Carryforward of unused credits.

(a) When a taxpayer is unable to use a tax credit during the period specified by the Department in the approval letter, because the taxpayer’s liability is insufficient, the taxpayer may apply to carry forward the unused tax credit amount for a period not to exceed five years, if the credit was earned in a taxable year beginning before January 1, 2018, or for a period not to exceed ten years, if the credit was earned in a taxable year beginning on or after January 1, 2018. The five-year carryforward period is applicable to all credits approved for carryforward on or after July 1, 2011, and to all unused carryforward credits that were eligible to be carried forward as of July 1, 2011. Taxpayers must apply on-line using the Department’s website at www.floridarevenue.com or submit an Application for Tax Credit for Contributions to Nonprofit Scholarship Funding Organizations (SFOs) (Form DR-116000, incorporated by reference in Rule 12-29.003, F.A.C.) requesting approval to carry forward the unused portion of the tax credit during the year in which the taxpayer wants to carry forward the unused tax credit. Applications
to carry forward amounts beyond the five-year period will not be accepted by the Department. See paragraph (3)(a), for submitting the application to the Department.

(b) A separate application to carry forward an unused tax credit is required for each beverage license issued by the Division for which a separate return to report and pay the excise taxes on liquor, wine, and malt beverages is filed with the Division.

(c) Within ten days of receipt of the application, the Department will send written correspondence regarding the amount of the credit carryforward, or the reason the carryforward request could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the carryforward before the Department will issue such correspondence. No request will be approved when the application for a credit allocation carryforward is submitted for a period beyond five years from the year in which the credit allocation was approved.

(d) Examples.

1. Corporate Income Tax Example – A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the tax year ending December 31, 2017. To carry forward the unused portion of the credit allocation from its tax year ending December 31, 2011, to its tax year ending December 31, 2012, the taxpayer must apply to the Department, specifying the carryforward amount, on or after January 3, 2012. The application must be filed on or before December 31, 2012. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion. Any unused carryforward from its tax year ending December 31, 2017 expires on December 31, 2022.

2. Corporate Income Tax Example – A calendar year taxpayer applied for and was approved for a credit allocation against corporate income tax for the tax year ending December 31, 2018.
Any unused carryforward from its tax year ending December 31, 2018, expires on the due date pursuant to Section 220.222, F.S., for the Florida corporate income/franchise tax return for the taxable year ending December 31, 2028.

3. 2- Insurance Premium Tax Example – A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2010. To carry forward the unused portion of the credit allocation that was not taken on the 2010 insurance premium tax return (due March 1, 2011) to the 2011 insurance premium tax return, the taxpayer must apply to the Department, specifying the carryforward amount, on or after January 3, 2011. The application must be filed and approved on or before December 31, 2011. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion. Any unused carryforward from its tax year ending December 31, 2010, expires on December 31, 2022.

4. Insurance Premium Tax Example – A taxpayer applied for and was approved for a credit allocation against insurance premium tax due for calendar year 2018. Any unused carryforward from its tax year ending December 31, 2018, expires on December 31, 2028.

5. 3- Sales and Use Tax Example – A taxpayer who holds a Sales and Use Tax Direct Pay Permit applied for and was approved for a credit allocation against sales and use tax due to the Department as a result of the Direct Pay Permit for the state fiscal year 2011-2012. The taxpayer paid the contribution to an SFO eligible nonprofit scholarship funding organization on July 14, 2017, and submitted a copy of the certificate of contribution received from the organization to the Department. The taxpayer’s state tax liability in accordance with the Sales and Use Tax Direct Pay Permit was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, 2012. To carry
forward the unused portion of the tax credit to the 2012-2013 state fiscal year, the taxpayer must apply to the Department, specifying the carryforward amount during the 2012-2013 state fiscal year. The application must be filed and approved, and any approved carryforward must be taken on a sales and use tax return filed on or before June 30, 2013. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion to be used during the following state fiscal year. Any unused carryforward from the 2017-2018 2011-2012 state fiscal year expires June 30, 2023 June 30, 2017.

6. Sales and Use Tax Example – A taxpayer who holds a Sales and Use Tax Direct Pay Permit applied for and was approved for a credit allocation against sales and use tax due to the Department for the state fiscal year 2018-2019. The taxpayer paid the contribution to an SFO on July 13, 2018, and submitted a copy of the certificate of contribution received from the organization to the Department. The taxpayer’s state tax liability in accordance with the Permit was insufficient to use the entire credit allocation on sales and use tax returns filed with the Department on or before June 30, 2019. Any unused carryforward from the 2018-2019 state fiscal year expires June 30, 2029.

7. 4. Tax on Oil and Gas Production – The same application periods and credit carryforward periods that apply to a sales and use tax credit allocation apply to a credit allocation against the tax on oil and gas production.

8. 5. Excise Taxes on Liquor, Wine, and Malt Beverages Example – A taxpayer who holds a liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year 2017-2018 2011-2012. The taxpayer’s liability was insufficient to use the entire credit allocation during that state fiscal year. To carry forward the unused portion of the tax credit to the 2012-2013 state fiscal year, the
taxpayer must apply to the Department, specifying the carryforward amount during the 2012-2013 state fiscal year. The application must be filed and approved, and any approved carryforward must be taken on a return filed with the Division, on or before June 30, 2013. If any unused portion of the credit allocation remains, the taxpayer must apply for a carryforward of the unused portion to be used during the following state fiscal year. Any unused carryforward from the 2017-2018 state fiscal year expires June 30, 2023. Any unused carryforward from the 2011-2012 state fiscal year expires June 30, 2017.

9. Excise Taxes on Liquor, Wine, and Malt Beverages Example – A taxpayer who holds a liquor license issued by the Division applied for and was approved for a credit allocation against the liquor excise tax for returns due during the state fiscal year 2018-2019. The taxpayer’s liability was insufficient to use the entire credit allocation during that state fiscal year. Any unused carryforward from the 2018-2019 state fiscal year expires June 30, 2029.

(7) Transfers of unused Tax Credits.

(a) A taxpayer may not convey, assign, or transfer a credit allocation or tax credit to another entity unless all of the assets of the taxpayer are conveyed, assigned, or transferred in the same transaction. However, the following credit allocations or tax credits may be transferred between members of the same affiliated group of corporations:

1. A tax credit allocation for which a contribution has not been made to an SFO eligible nonprofit scholarship funding organization by the transferring member. The receiving member must make a contribution to an SFO eligible nonprofit scholarship funding organization during the same period that the transferring member was required to make the contribution. In addition, the contribution must be made before the receiving member may claim the tax credit.
2. A tax credit allocation for which a contribution has been made to an SFO eligible nonprofit scholarship funding organization by the transferring member, but the tax credit has not been claimed on a tax return.

3. A carryforward tax credit amount approved for carryforward that has not been claimed on a tax return.

(b) through (e) No change.

(f) The Department must approve the application for transfer of the unused credit allocation or tax credit before the receiving member may claim the tax credit on a tax return. For excise tax on liquor, wine, and malt beverages, the Division must also approve the transfer before the receiving member may claim the tax credit on a tax return.

(g) Following receipt of an application, the Department will send written correspondence approving the transfer or providing the reason the transfer could not be approved. If the transfer is approved, a copy of the approval letter will be sent to both the transferring member and the receiving member. The approval letter will include instructions on how the receiving member may claim the tax credit on a tax return.

(8) Rescindment of unused Tax Credits.

(a) The rescindment provision allows credit allocations that will not be used by the taxpayer to be reallocated to other taxpayers who may use the credit allocation. Taxpayers must apply online using the Department’s website at www.floridarevenue.com or submit an Florida Tax Credit Scholarship Program – Application for Rescindment of Previous Allocation of Tax Credit Allocation for Contributions to Nonprofit Scholarship Funding Organizations (Form DR-116100, incorporated by reference in Rule 12-29.003, F.A.C.) to the Department to rescind all or
a portion of an unused credit allocation. See paragraph (3)(a) for submitting the application to the Department.

(b) An application for rescindment of the unused credit allocation by the Department will not be approved when:

1. No change.

2. The allocation year is closed for all taxpayers. The allocation period for a calendar year is closed for all taxes and all taxpayers on October 1 of the third year following the January 1 opening of the allocation period, regardless of whether the annual tax credit cap has been reached November 30 of the subsequent calendar year. For example, the allocation period beginning January 1, 2018, for the state fiscal year beginning July 1, 2018, closes for all taxpayers on October 1, 2020.

(c) Following ten days of receipt of an application, the Department will send written correspondence regarding the amount of the rescindment, or the reason rescindment could not be approved. For excise tax on liquor, wine, and malt beverages, the Division must approve the rescindment before the Department will issue such correspondence.

(d) When the approval of a rescindment allows the tax credit cap for a state fiscal year to be reopened and available for allocation, the Department will notify each SFO eligible nonprofit scholarship funding organization that the tax credit cap is available for allocation.

Rulemaking Authority 1002.395(13) F.S. Law Implemented 92.525(1)(b), 211.0251, 212.1831, 213.37, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (5), (13) FS. History–New 6-6-11, Amended 1-25-12, 7-28-15,____ .

12-29.003 Florida Tax Credit Scholarship Program; Applications.
(1) No change

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>(2)(a) DR-116000</td>
<td>Florida Tax Credit Scholarship Program – Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations (SFOs) (R. 1/18)</td>
<td>01/19 1/18</td>
</tr>
<tr>
<td>(b) DR-116100</td>
<td>Florida Tax Credit Scholarship Program – Application for Rescindment of Previous Allocation of Tax Credit Allocation for Contributions to Nonprofit Scholarship Funding Organizations (SFOs) (R. 07/11)</td>
<td>01/19 1/18</td>
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<td>(c) DR-116200</td>
<td>Florida Tax Credit Scholarship Program – Notice of Intent to Transfer a Tax Credit (N. 07/15)</td>
<td>01/19 1/18</td>
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Rulemaking Authority 213.06(1), 1002.395(13) F.S. Law Implemented 92.525(1)(b), 211.0251, 212.1831, 213.37, 220.1875, 561.1211, 624.51055, 1002.395(1)-(3), (5), (13) FS. History–New 6-6-11, Amended 1-25-12, 7-28-15, 1-17-18,____.
### Florida Tax Credit Scholarship Program

**Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations**

<table>
<thead>
<tr>
<th>Business Name:</th>
<th>Federal Employer Identification Number (FEIN):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Address:</td>
<td></td>
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<tr>
<td>City:</td>
<td>State:</td>
</tr>
<tr>
<td>Contact Person Name:</td>
<td>Telephone Number:</td>
</tr>
</tbody>
</table>

Enter the nonprofit scholarship-funding organization (SFO) to which the contribution will be made. A separate application is required for each organization: ________________________________________________________________________________________

Total amount of planned contribution: $ ______________

Indicate the amount of credit allocation for each applicable tax. The sum of the amounts must equal the planned contribution amount entered above.

- $______________ Corporate Income Tax
  - Beginning Date of Tax Year: ____________
  - Ending Date of Tax Year: ____________

- $______________ Insurance Premium Tax
  - (For the current Calendar Year)

- $______________ Excise Tax on Malt Beverages
  - For the Fiscal Year beginning July 1, ____________
  - Malt Beverage License Number: ____________________________

- $______________ Excise Tax on Wine Beverages
  - For the Fiscal Year beginning July 1, ____________
  - Wine Beverage License Number: ____________________________

- $______________ Excise Tax on Liquor Beverages
  - For the Fiscal Year beginning July 1, ____________
  - Liquor Beverage License Number: ____________________________

- $______________ Sales and Use Tax due from a Direct Pay Permit Holder
  - For the Fiscal Year beginning July 1, ____________
  - Sales Tax Certificate Number: ____________________________

- $______________ Tax on Oil Production
  - For the Fiscal Year beginning July 1, ____________

- $______________ Tax on Gas Production
  - For the Fiscal Year beginning July 1, ____________

If you file a consolidated Florida corporate income tax return, you must provide the parent corporation's name and FEIN.

**Parent corporation** ______________________________________________________________________________________________________

**Parent corporation's FEIN** ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

I understand that section (s.) 1002.395(5)(b)2., Florida Statutes (F.S.), requires the Florida Department of Revenue to provide a copy of any approval or denial it issues with respect to this application to the nonprofit scholarship-funding organization indicated in this application.

Under penalty of perjury, I declare that I have read this application and that the facts stated in it are true.

_________________________                    ____________________________
Signature of officer, owner, or partner                      Date
You may apply for this credit allocation using the Department’s website at floridarevenue.com/taxes/sfo. When applying for a tax credit allocation, a separate application is required for each nonprofit scholarship-funding organization (SFO), each separate beverage license, each sales tax certificate number, and each tax credit cap year. The tax year for insurance premium tax is the current calendar year. For corporate income tax, you must specify the applicable tax year. For all other taxes, you must specify the applicable state fiscal year.

Once you complete the online application you will receive a confirmation number that you can print out. The screen will display the information entered and confirm receipt of the electronic application for credit allocation. The Department will send you written correspondence. The Department will either approve an amount of tax credit allocation or explain why a credit allocation could not be approved.

In accordance with s. 1002.395(5)(f), F.S., the SFO indicated on the application will be provided a copy of your approval or denial letter.

Who May Apply?
The following taxpayers may participate in the Florida Tax Credit Scholarship Program for contributions to nonprofit SFOs:

- Florida oil and gas production taxpayers (ss. 211.02 and 211.025, F.S.).
- Taxpayers who pay sales tax under a direct pay permit (s. 212.183, F.S.).
- Corporate income taxpayers (Chapter 220, F.S.).
- Taxpayers who pay excise tax on liquor, wine, and malt beverages (ss. 563.05, 564.06, and 565.12, F.S.).
- Insurance premium taxpayers (s. 624.509, F.S.).

Oil and Gas Production Tax
One hundred percent of an eligible contribution is allowed as a credit, but the amount of the credit taken may not exceed fifty percent of the tax due on the return. A copy of the certificate of contribution from each nonprofit SFO must be attached to the return when claiming the credit.

Sales and Use Tax Due From a Direct Pay Permit Holder
One hundred percent of an eligible contribution is allowed as a credit. Before a credit can be claimed on a sales and use tax return, the taxpayer must submit a copy of the certificate of contribution from each nonprofit SFO to:

Florida Department of Revenue
Revenue Accounting
PO Box 6609
Tallahassee, FL 32314-6609

The Department of Revenue will respond with specific instructions about how to claim the credit on your sales and use tax return. In accordance with s. 1002.395(5)(f), F.S., the nonprofit SFO indicated on the application will be provided a copy of all letters or correspondence of acknowledgement generated by the Department with respect to the credit for sales and use tax from a direct pay permit holder.

Corporate Income Tax
One hundred percent of an eligible contribution is allowed as a credit. The credit granted must be reduced by the resulting decrease in federal income tax when considering this credit and the overall impact it has on the federal income tax due. The amount of credit taken must be added back to taxable income only once. A copy of the certificate of contribution(s) from each nonprofit SFO must be attached to the return when claiming the credit.

Excise Tax on Liquor, Wine, and Malt Beverages
One hundred percent of an eligible contribution is allowed as a credit against any tax due under s. 563.05, 564.06, or 565.12, F.S., except excise taxes imposed on wine produced by manufacturers in this state from products grown in this state. The amount of the credit taken may not exceed ninety percent of the tax due on the return. A copy of the certificate of contribution from each nonprofit SFO must be attached to the return when claiming the credit.

Insurance Premium Tax
One hundred percent of an eligible contribution is allowed as a credit against any tax due under s. 624.509, F.S., after deducting from such tax:

1. Deductions for assessments made pursuant to s. 440.51, F.S. (workers’ compensation administrative assessments),
2. Credits for taxes paid under ss. 175.101 and 185.08, F.S. (firefighters’ and police officers’ pension trust funds), and
3. Credits for income tax paid under Chapter 220 F.S., and the salary credit allowed under s. 624.509(6), F.S., as these are limited by s. 624.509(6), F.S. (the sixty-five percent limitation).

A copy of the certificate of contribution from each nonprofit SFO must be attached to the return when claiming the credit.

Program Information
If the credit is not fully used in the applicable tax year (for corporate income or insurance premium tax) or state fiscal year (for excise tax on malt beverages, wine, and liquor; oil and gas production tax; or sales tax), the unused amount carries forward for a period not to exceed 10 years. However, if the applicable tax year begins before January 1, 2018, the unused credit cannot be carried forward more than 5 years. The credit cannot be conveyed, assigned, or transferred to another entity unless the other entity is a member of the taxpayer’s affiliated group, or all of the assets of the taxpayer are conveyed, assigned, or transferred in the same transaction. For transfers to another member of the taxpayer’s affiliated group, use Form DR-116200 [incorporated by reference in Rule 12-29.003, Florida Administrative Code (F.A.C.)].

Contributions must be monetary and must be made to eligible nonprofit SFOs. The Department of Education establishes the eligibility of the nonprofit SFOs. A list of nonprofit SFOs is available from the Department of Education’s website at fldeoe.org/schools/school-choice. Their phone number is 800-447-1636.

Once you receive written confirmation and approval for the credit allocation from the Department, you are expected to
make such contribution within the tax year or state fiscal year for which the credit allocation was approved. For corporate income tax years beginning on or after January 1, 2018, the contribution must be made on or before the due date of the Florida corporate income/franchise tax return, or the extended due date of the return if validly extended.

Upon receiving a contribution, a nonprofit SFO will issue a certificate of contribution to the taxpayer. This certificate will contain the following information:

- Contributor’s name
- Contributor’s FEIN
- Contributor’s license number issued by the Division of Alcoholic Beverages and Tobacco
- Amount of contribution
- Date of contribution
- Name of nonprofit SFO

An officer or authorized representative of the nonprofit SFO will sign the certificate. You must attach a copy of the certificate(s) of contribution to your tax return when filed; or for sales tax direct pay permit holders, submit a copy of the certificate to the Department before claiming the credit.

All other requirements of s. 1002.395, F.S., must be met to claim this credit.

The letter granting approval of the credit allocation will indicate the time frame in which the contribution must be made, and express that the credit is contingent upon an eligible contribution being made and accepted by the nonprofit SFO.

If the nonprofit SFO listed on the approval letter is unable to accept a contribution or part of a contribution because of its obligations under s. 1002.395, F.S., and it provides a written statement declining the contribution, the taxpayer may make the contribution or partial contribution to another eligible nonprofit SFO. The taxpayer must keep the written statement for its records to support the claim earned. Contributions must be made during the year specified in the approval letter. For corporate income tax years beginning on or after January 1, 2018, the contribution must be made on or before the due date of the Florida corporate income/franchise tax return, or the extended due date of the return if validly extended.

Contributions to a nonprofit SFO are not payments of estimated tax or installment payments of tax. Taxpayers must make installment payments to the Department of Revenue in accordance with ss. 220.34 and 1002.395(5)(g), F.S., and Rule 12C-1.034, F.A.C., for corporate income tax; ss. 624.5092 and 1002.395(5)(g), F.S., and Rule 12B-8.001, F.A.C., for insurance premium tax; and s. 212.11, F.S., and Rule 12A-1.056, F.A.C., for sales and use tax. For corporate income tax and insurance premium tax are decreased by the amount of the Florida tax credit scholarship program credit earned. Contributions must be made on or before the installment due date to decrease the amount that must be paid to meet the prior year exception. For corporate income tax years beginning on or after January 1, 2018, the contribution must be made by the due date of the Florida corporate income/franchise tax return, or the extended due date of the return if validly extended. All contributions that earned a credit for that tax year beginning on or after January 1, 2018, will apply to the first installment due for that tax year under the prior year exception.

Program Guidelines.

For corporate income tax, applications for allocation of tax credit can be submitted beginning on the first business day in January for contributions to be made in tax years that begin in the same calendar year through the day before the due date, or if extended, the day before the extended due date of the Florida corporate income/franchise tax return.

For insurance premium tax, applications can be submitted beginning on the first business day in January for contributions to be made in insurance premium tax years that begin in the same calendar year through the end of the insurance premium tax year.

For the excise tax on liquor, wine, and malt beverages, applications can be submitted beginning on the first business day in January for contributions to be made in the state fiscal year beginning the following July 1.

For the oil and gas production tax and sales tax paid under a direct pay permit, applications can be submitted beginning on the first business day in January for contributions to be made in the state fiscal year beginning the following July 1.

The allocation of each state fiscal year’s allotted amount begins on the first business day in January. Applications are accepted until the allotted amount is reached or until no more applications can be submitted for that tax year, whichever occurs first.

Example 1 - A corporate income tax taxpayer applying for a credit allocation for its tax year beginning on January 1, 2018, may submit an application on January 2, 2018, through the day before May 1, 2019, and if the return is validly extended, the application may be submitted through the day before November 1, 2019, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the nonprofit SFO between January 1, 2018, and May 1, 2019, unless the return is validly extended, in which case the contribution must be made by November 1, 2019. If the credit is not fully used on its December 31, 2018, tax year, the unused credit can be carried forward up to 10 tax years.

Example 2 - A corporate income tax taxpayer applying for a credit allocation for its tax year beginning on December 1, 2018, may submit an application on January 2, 2018, through the day before April 1, 2020, and if the return is validly extended, the application may be submitted through the day
before October 1, 2020, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the nonprofit SFO between December 1, 2018, and April 1, 2020, unless the return is validly extended, in which case the contribution must be made by October 1, 2020. If the credit is not fully used on its November 30, 2019, tax year, the unused credit can be carried forward up to 10 tax years.

**Example 3** – An insurance premium taxpayer applying for a credit allocation for its tax year beginning on January 1, 2018, may submit an application between January 2, 2018 and December 31, 2018, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the nonprofit SFO between January 1, 2018 and December 31, 2018.

**Example 4** – A sales taxpayer or oil and gas production taxpayer applying for a credit allocation may submit an application between January 2, 2018 and June 30, 2019, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the nonprofit SFO between July 1, 2018 and June 30, 2019, and the credit can be claimed after the contribution is made and before June 30, 2019. If the credit is not fully used before June 30, 2019, the unused credit can be carried forward up to 10 years.

**Example 5** – A taxpayer who pays excise tax on liquor, wine, and malt beverages applying for a credit allocation may submit an application between January 2, 2018 and June 30, 2019, assuming the annual allocation is not exhausted before the time of application. In this example, the taxpayer must contribute to the nonprofit SFO between July 1, 2018 and June 30, 2019, and the credit can be claimed after the contribution is made and before June 30, 2019. If the credit is not fully used before June 30, 2019, the unused credit can be carried forward up to 10 years.
Business name _____________________________________________________________

Federal Employer Identification Number (FEIN) ____________-

Mailing address ____________________________________________________________

City ___________________________ State ___________ ZIP __________________________

Contact person ___________________________ Contact's telephone number __________________________

Contact person’s email address ________________________________________________

If included in a consolidated Florida corporate income tax return, provide:

Parent Corporation’s FEIN ____________-

Original amount of planned contribution $ ____________, ____________, ____________.

Confirmation number of original credit allocation application ______________________________

Enter the name of the SFO the credit was originally approved for:

___________________________________________________________________________________________

Enter the amount you wish to rescind $ ____________, ____________, ____________.

Enter the amount(s) below to rescind based on the tax type. (The sum of the amounts by tax cannot exceed the total amount you wish to rescind above. The amount to be rescinded for each tax cannot exceed the amount allocated to that tax on the original application.):

__________________________________ Corporate Income Tax (Chapter 220, F.S.)
__________________________________ Insurance Premium Tax (s. 624.509, F.S.)
__________________________________ Excise Tax on Malt Beverages (s. 563.05, F.S.)
__________________________________ Excise Tax on Wine Beverages (s. 564.06, F.S.)
__________________________________ Excise Tax on Liquor Beverages (s. 565.12, F.S.)
__________________________________ Sales Tax Paid by a Direct Pay Permit Holder (s. 212.183, F.S.)
__________________________________ Tax on Oil Production (s. 211.02, F.S.)
__________________________________ Tax on Gas Production (s. 211.025, F.S.)

I understand that section (s.) 1002.395(5)(f), Florida Statutes (F.S.), requires the Florida Department of Revenue to provide a copy of any approval or denial it issues with respect to this application for rescindment to the nonprofit scholarship-funding organization indicated on the associated application for an allocation of credit.

Under penalty of perjury, I declare that I have read this application form and that the facts stated in it are true.

_________________________________________ ____________________________
Signature of officer, owner, or partner Date
Instructions for Completing Form DR-116100

You may apply to the Department for rescindment of all or part of a previously approved allocation of tax credit under the Florida Tax Credit Scholarship Program using the Department’s website at floridarevenue.com/taxes/sfo. You must submit a separate application for the rescindment of each previously approved credit allocation.

Once you have entered the requested information, a confirmation screen with a confirmation number will appear. This screen will display the information entered and confirm receipt of the electronic application for rescindment. You can print this screen or simply record the confirmation number to prove that you submitted an application for rescindment.

If you don’t have your original confirmation number contact the Revenue Accounting section at 850-617-8586.

The Department will send written correspondence regarding the approved rescindment amount or the reason the rescindment request could not be approved.

The Department will approve the rescindment unless:

1. You have claimed the credit amount to be rescinded on a previously filed tax return.

2. The allocation year is closed for all taxpayers. The allocation for a particular year is closed for all taxpayers on October 1st of the third year after the January 1 opening of the allocation period. For example, the allocation year beginning January 1, 2018, for the state fiscal year beginning July 1, 2018, closes for all taxpayers on October 1, 2020, regardless of whether the annual allotment has been reached because October 1, 2020, is the extended due date of the last tax year beginning in the 2018 calendar year (tax year beginning December 1, 2018, and ending November 30, 2019, with a due date of April 1, 2020, and extended due date of October 1, 2020).
To transfer a tax credit available under the Florida Tax Credit Scholarship Program, the transferring business and the receiving business must both be members of the same affiliated group of corporations.

### Part I - Transferring Business Information

<table>
<thead>
<tr>
<th>Business Name:</th>
<th>Federal Employer Identification Number (FEIN):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Address:</td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
</tr>
<tr>
<td>Contact Person Name:</td>
<td>Telephone Number:</td>
</tr>
</tbody>
</table>

If the transferor is included in a consolidated Florida corporate income tax return, please provide the Parent Corporation Name: Parent FEIN:

<table>
<thead>
<tr>
<th>Florida Tax Credit Scholarship Program:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Corporate Income Tax</td>
</tr>
<tr>
<td>☐ Insurance Premium Tax</td>
</tr>
<tr>
<td>☐ Tax on Oil Production</td>
</tr>
<tr>
<td>☐ Tax on Gas Production</td>
</tr>
<tr>
<td>☐ Sales and Use Tax (enter certificate number):</td>
</tr>
<tr>
<td>☐ Excise Tax on Liquor Beverages (enter license number):</td>
</tr>
<tr>
<td>☐ Excise Tax on Wine Beverages (enter license number):</td>
</tr>
<tr>
<td>☐ Excise Tax on Malt Beverages (enter license number):</td>
</tr>
</tbody>
</table>

#### Transfer of Tax Credit Allocation

<table>
<thead>
<tr>
<th>Tax Credit Allocation Confirmation Number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Amount of Tax Credit Allocation</td>
<td>$</td>
</tr>
<tr>
<td>Prior Transfer of This Credit Allocation</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Transfer of Credit or Carryforward Credit

<table>
<thead>
<tr>
<th>Credit Earned Under This Tax Credit Allocation Confirmation Number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Credit and Carryforward Credit Claimed / Used</td>
<td>$</td>
</tr>
<tr>
<td>Tax Year or Month / Year Claimed / Used</td>
<td></td>
</tr>
<tr>
<td>Prior Transfer of This Credit or Carryforward Credit</td>
<td></td>
</tr>
</tbody>
</table>

#### Requested Transfer of This Credit or Carryforward Credit (Must be made in sufficient time for the transferee to timely claim the transferred credit or transferred carryover credit and the Department to approve the transfer of the credit or carryforward credit.) | $ |

### Part II - Receiving Business Information - A separate notice is required for each receiving business.

<table>
<thead>
<tr>
<th>Business Name:</th>
<th>Federal Employer Identification Number (FEIN):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Address:</td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
</tr>
<tr>
<td>Contact Person Name:</td>
<td>Telephone Number:</td>
</tr>
</tbody>
</table>

If the transferee is included in a consolidated Florida corporate income tax return, please provide the Parent Corporation Name: Parent FEIN:
Part III - Transferring Business Certification - Only an authorized officer of the transferring business may sign this notice.

I understand that section (s.) 1002.395(5)(f), Florida Statutes (F.S.), requires the Florida Department of Revenue to provide a copy of any approval or denial it issues with respect to this application for transfer to the nonprofit scholarship-funding organization indicated on the associated application for an allocation of credit.

Under penalties of perjury, I certify that the Transferring Business and the Receiving Business are both members of the same affiliated group of corporations. I understand that the Florida Department of Revenue will provide information regarding the transfer of a tax credit allocation or a tax credit authorized under the Florida Tax Credit Scholarship Program to the Receiving Business. I declare that I have read the foregoing Notice and the facts stated in it are true.

Signature of Authorized Officer of Transferring Business

Printed Name of Authorized Officer

Title

Date

Instructions for Florida Tax Credit Scholarship Program
Notice of Intent to Transfer a Tax Credit

To transfer a tax credit or a tax credit allocation under the Florida Tax Credit Scholarship Program both parties to the transfer must be members of the same affiliated group of corporations.

The transferring member must notify the Department of any tax credit transfer prior to the receiving member reporting the tax credit on a tax return. A separate notice must be submitted for each member of an affiliated group of corporations receiving a transfer.

The completed notice must be signed by an officer authorized to sign on behalf of the transferring business. Mail the completed and signed notice to:

Florida Department of Revenue
Revenue Accounting
PO Box 6609
Tallahassee FL 32314-6609

The Department of Revenue will send written approval regarding the amount of the tax credit transferred after receipt of a completed notice. You must have a letter from the Department approving the credit transfer prior to claiming the tax credit on a tax return.

The following tax allocations or tax credits may be transferred from one member of an affiliated group to another member of the same affiliated group:

- Tax credit allocations prior to making a contribution to an eligible nonprofit scholarship-funding organization.

- Tax credit allocations for which contributions have been made to an eligible nonprofit scholarship-funding organization, but the tax credit has not been claimed on a tax return.

- Carryforward tax credit amounts that have not been claimed on a tax return.

A transferred tax credit may only be used against the same tax as the original tax credit approved by the Department. For example, if the transferring member received a sales and use tax credit allocation, the receiving member may only use the transferred tax credit as a sales and use tax credit.

Members receiving a tax credit allocation must make a contribution to an eligible nonprofit scholarship-funding organization during the same period that the transferring member was required to make the contribution. The contribution must be made before the member may claim the tax credit.

A transferred tax credit may only be taken by the receiving member of the affiliated group during the same period that the transferring member was approved to take the tax credit.

A transferred carryforward amount may only be taken as a tax credit during the same time period as the transferring member was authorized to take the carryforward tax credit amount.

References: Section 1002.395(5)(d), Florida Statutes; Rule Chapter 12-29, Florida Administrative Code
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE
SALES AND USE TAX
REPEALING RULE 12A-1.0143
AMENDING RULES 12A-1.070, 12A-1.087, AND 12A-1.097

SUMMARY OF PROPOSED RULES

Section 288.1083, F.S., previously provided for a refund of tax to certain manufacturing and spaceport entities under an investment incentive program. This program expired July 1, 2013, and taxpayers are no longer eligible for a tax refund. The proposed repeal of Rule 12A-1.0143, F.A.C., removes obsolete provisions related to this incentive program.

The state sales tax rate is set by the Legislature and is subject to change from year to year. The 2018 Legislature reduced the state rate for leases and licenses of real property from 5.8% to 5.7%. The proposed amendment to Rule 12A-1.070, F.A.C., adjusts the state sales tax rate to match the statutory change.

Section 36, Chapter 2018-118, L.O.F., made three changes to applicable aquaculture businesses. First, the exemption for butane gas, propane gas, natural gas, and liquefied petroleum gas was expanded to apply to the production, packing, or processing of aquacultural products, either on or off the farm. Second, the exemption for electricity was expanded to apply to packinghouses where fish are packed or prepared for shipment. Third, a new exemption was added for industrial machinery and equipment purchased for use in aquacultural activities. The proposed amendments to Rule 12A-1.087, F.A.C., provide guidance on how businesses can
document and receive these exemptions.

The proposed amendments to Rule 12A-1.097, F.A.C., adopt, by reference, changes to forms currently used to administer sales and use tax. Chapter 2018-6, L.O.F., established two new sales tax scholarship programs under Chapter 212, F.S. Changes to existing forms provide a method for taking a credit under the new tax scholarship programs. In addition, a new form is being promulgated to administer the exemption provided by Section 56, Chapter 2018-118, L.O.F., for equipment used to generate emergency electric energy at nursing homes and assisted living facilities.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The repeal of Rule 12A-1.043, F.A.C., is necessary due to obsolescence. Changes to Rules 12A-1.070, 12A-1.087, and 12A-1.097, F.A.C., are necessary to implement statutory changes.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, pp. 3093-3094), to advise the public of the proposed repeal of Rule 12A-1.0143, F.A.C., and the proposed changes to Rules 12A-1.070, 12A-1.087,
and 12A-1.097, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING
AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rules 12A-1.0143, 12A-1.070, 12A-1.087 and 12A-1.097, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING
OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4208-4214), to advise the public of the proposed changes to Rules 12A-1.0143, 12A-1.070, 12A-1.087, and 12A-1.097, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held.

Written comments were received from the staff of the Joint Administrative Procedures Committee for Rule 12A-1.087, F.A.C. A notice of change was published in the Florida Administrative Register on November 6, 2018, (Vol. 44, No. 217, p. 5104), to conform a definition in the rule to statutory language. The final rule language presented for adoption today reflects these changes.
12A-1.0143 Manufacturing and Spaceport Investment Incentive Program Tax Refunds.

(1) Who May Claim the Refund? Any eligible entity that has received approval from the Department of Economic Opportunity, Division of Strategic Business Development for the purchase of eligible equipment for use in the Manufacturing and Spaceport Investment Incentive Program may claim the refund. A refund will be allowed on state sales and use taxes previously paid, but not on any discretionary sales surtax paid. The refunds are limited to the time periods and amounts provided in subsection (2).

(2) Amount of the Refund. The refund amount is based on an eligible entity’s purchases of eligible equipment placed in service in Florida during the state fiscal years 2010-2011 and 2011-2012 (July 1, 2010-June 30, 2011, and July 1, 2011-June 30, 2012) in excess of the entity’s total cost of eligible equipment purchased and placed into service in Florida by the entity in its tax year that began in 2008. The total amount of refund available to an eligible entity is limited to the amount of previously paid state sales and use tax certified by the Department of Economic Opportunity and will not exceed $50,000 in each of the state fiscal years 2010-2011 and 2011-2012.

(3) Obtaining the Refund.

(a) Taxpayers must file an application with the Department of Economic Opportunity,
Division of Strategic Business Development for eligibility for a tax refund under the Manufacturing and Spaceport Investment Incentives Program. Applications may be obtained at http://www.flgov.com/financial_incentives or by calling (850)487-2568.

(b) When the Department of Economic Opportunity, Division of Strategic Business Development sends written certification to the applicant certifying the amount of Florida sales and use tax refund, the Division will send a copy of the written certification to the Department. To obtain a refund of Florida sales and use tax previously paid on purchases of eligible equipment under the Manufacturing and Spaceport Investment Incentive Program, a completed Application for Refund Sales and Use Tax (Form DR-26S, incorporated by reference in Rule 12-26.008, F.A.C.), with a copy of the certification letter issued by the Office, must be filed with the Department. Form DR-26S must be filed within 30 days from the date of the written certification issued by the Division. Applications for Refund Sales and Use Tax are available on the Department’s website at www.floridarevenue.com/forms. Form DR-26S, with a copy of the certification letter, should be mailed to:

Florida Department of Revenue

Refund Subprocess

P.O. Box 6490

Tallahassee, Florida 32314-6490.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 213.255, 215.26, 288.1083 FS. History–New 6-6-11, Repealed_____.

12A-1.070 Leases and Licenses of Real Property; Storage of Boats and Aircraft.

(1) through (3) No change.
(4)(a) No change.

(b) The tax shall be paid at the rate of 5.8 percent on all considerations due and payable by the tenant or other person actually occupying, using, or entitled to use any real property to his landlord or other person for the privilege of use, occupancy, or the right to use or occupy any real property for any purpose. The amount of tax due must be calculated with the use of the applicable effective sales tax brackets (Form DR-2 LLRP, Florida Sales Tax Brackets Effective on all Leases and Licenses of Real Property Transactions Taxable Under Section 212.031(1)(c), F.S., incorporated by reference in Rule 12A-1.097, F.A.C.).

(c) through (d) No change.

(e) No change.

1. Example: Landlord owns a building with 5 offices and common areas. All offices are the same size. Landlord uses one office and leases the other four. The lease agreement provides that the utility charges are “additional rent” and failure to pay such utility charges when required will cause the lease to terminate. All offices use approximately the same amount of utilities. Utility services are sold by City Utilities to Landlord. Landlord’s total utility bill is $1,900. Of that total, $150 was non-taxable water, garbage, and sewage charges. City Utilities’ service bill to Landlord is as follows:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical energy</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Gas energy</td>
<td>500.00</td>
</tr>
<tr>
<td>Gross Receipts Tax ($1,500 – 2.5%)</td>
<td>37.50</td>
</tr>
<tr>
<td>Subtotal—subject to sales tax</td>
<td>1,537.50</td>
</tr>
<tr>
<td>Sewage &amp; garbage service</td>
<td>100.00</td>
</tr>
<tr>
<td>Water service</td>
<td>50.00</td>
</tr>
</tbody>
</table>
Landlord charges each tenant $2,000 rent and 1/5 of Landlord’s total utility bill with no mark-up.

Tenant owes tax on the rent and on his portion of the utility charges not taxed to Landlord, which includes the tenant’s use of the common areas, in addition to the tenant’s pro rata share of utilities, including sales tax on utilities, gross receipts tax on utilities and municipal utility tax based on Landlord’s cost. Of the above total charges that add up to $1,929.75, the charges for services of sewage, garbage, and water service are not utility service charges on which tax was paid by Landlord. Consequently, only the portion of each tenant’s $385.95 share of the total charge billed by City Utilities ($1,929.75) which represents the tenant’s share of non-taxable charges is taxable as rent. Therefore, the invoice to the tenant for the month should read:

Rent $2,000.00

Tenant’s one-fifth share of charges not taxed to Landlord for sewage, garbage, & water ($150 * 20%) 30.00

Total subject to sales tax $2,030.00

Florida (5.7% 5.8%) sales tax 115.71 117.74

Reimbursement for one-fifth share of utilities on which tax was paid by Landlord ($1,900 - $150 * 20%) 350.00 355.95

Total Amount Due $2,495.71 2,503.69

2. Example: Same facts as above, except Landlord marks up Tenants’ share of the total of City Utilities’ service bill by 10 percent, resulting in a total charged to the tenants for utilities of $2,122.73, instead of the $1,929.75 actually paid by Landlord for the utilities. Thus each tenant’s
one-fifth share of utilities would be $418.00 $424.55, instead of $380.00 $385.95. Again, if Landlord separately states the utility charges on the tenant’s invoice, Landlord should compute the tax as follows:

Rent $2,000.00

Tenant’s one-fifth share of utilities not taxed (total utilities $418.00 $424.55, less utilities on which Landlord paid tax, $350.00 $355.95) 68.00 68.60

Total subject to tax $2,068.00 $2,068.60

Florida (5.7% 5.8%) sales tax 117.88 119.94

Reimbursement for one-fifth share of utilities on which tax was paid by Landlord lessor 350.00 355.95

Total Amount Due $2,535.88 $2,544.49

However, where a landlord marks up the utilities, in addition to the sales tax being due, gross receipts tax, at the rate of 2.5 percent, would also be due on the marked-up portion, pursuant to Section 203.01, F.S.

(f) through (g) No change.

(5) through (7) No change.

(8) When a tenant (lessee) or other person occupying, using, or entitled to use any real property (licensee) sublets or assigns some portion of the leased or licensed property, he may take credit on a pro rata basis for the tax that he paid to his landlord or other such person on the space that he subleases or assigns. Proration shall be computed on square footage or some other basis acceptable to the Executive Director or the Executive Director’s designee in the responsible program. For example, Tenant leases 200 square feet of floor space for $400.00 and pays Landlord $22.80 $23.20 rental tax. Tenant subleases 100 square feet, or one half, of the space to
Subtenant for $300.00 and collects $17.10 tax which he remits to the State, less a credit of $11.40 for tax that he paid to his landlord on the space that he subleased to Subtenant. (One half of $400.00 is $200.00 and 5.7% of this amount is $11.60.)

(9) through (23) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(10)(h), (i), (13), 212.03(6), 212.031 FS. History–New 10-7-68, Amended 2-8-69, 10-7-69, 6-16-72, 9-26-77, 10-18-78, 12-31-81, 7-20-82, Formerly 12A-1.70, Amended 1-2-89, 3-27-95, 7-17-95, 1-17-18.

12A-1.087 Exemption for Power Farm Equipment; Electricity Used for Certain Agricultural Purposes; Suggested Exemption Certificate for Items Used for Agricultural Purposes.

(1) through (7) No change.

(8)(a) The following sales and uses of liquefied petroleum gas, diesel, and kerosene are exempt when:

1. through 4. No change.

  5. Sold for use in any tractor, vehicle, or other farm equipment that is used directly or indirectly for the production, packing, or processing of aquacultural products, whether on or off the farm.

(b) No change.

(9)(a) Electricity used for the production, packing, or processing of agricultural products on a farm or in a packinghouse is exempt. The exemption does not apply to electricity used in buildings or structures where agricultural products are sold at retail. “Packinghouse” means any building or structure where fruits, vegetables, or meat from cattle or hogs or fish are packed or
otherwise prepared for market or shipment in fresh form for wholesale distribution. The exemption only applies if the electricity is separately metered from the electricity used for nonexempt purposes. If the electricity is centrally metered and is used for both tax-exempt and taxable purposes, the purchase of the electricity is subject to tax. The indirect use of electricity, such as in employee break rooms or restrooms, repair facilities, or administrative offices located on a farm or in a packinghouse, qualified for the exemption. However, when a retail establishment is located on a farm and the electricity is not separately metered from the electricity used elsewhere on the farm, the electricity is subject to tax.

(b) No change.

(c) The exemption will not be allowed unless the purchaser furnishes its utility a written certificate stating that the electricity is used on a farm for the production, packing, or processing of agricultural products, or in a packinghouse, and qualifies for the exemption under Section 212.08(5)(e)2., F.S. The following is a suggested format of an exemption certificate to be issued to a utility company to make tax-exempt purchases of electricity used for this purpose:

SUGGESTED EXEMPTION CERTIFICATE

ELECTRICITY USED FOR THE PRODUCTION, PACKING, OR PROCESSING OF AGRICULTURAL PRODUCTS ON A FARM OR USED IN A PACKINGHOUSE

I certify that the electricity used on or after________ (DATE) from ____________________ (UTILITY COMPANY) consumed through the following meter(s) is exempt from sales tax pursuant to Section 212.08(5)(e)2., Florida Statutes (F.S.), and will be:

(Check the appropriate box)

☐ Used in the production, packing, or processing of agricultural products on a farm.
☐ Used in a packinghouse for packing or otherwise preparing for market, or for shipment in fresh form, for wholesale distribution fruits and vegetables, or meat from cattle or hogs or fish.

I certify that the electricity will not be used in a building or structure where agricultural products are sold at retail.

Meter Number(s):

______________________________________________________________________________

______________________________________________________________________________

I understand that if the electricity purchased does not qualify for exemption under Section 212.08(5)(e)2., F.S., then I must pay the tax on the purchase directly to the Department of Revenue.

I understand that if I fraudulently issue this certificate to evade the payment of sales tax, I will be liable for payment of the sales tax, plus a mandatory penalty of 200% of the tax, and will be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in Section 775.082, 775.083, or 775.084, F.S.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

______________________________________________________________________________

Purchaser’s Name and Title (Print or Type)

______________________________________________________________________________

Purchaser’s Address

______________________________________________________________________________

Signature

______________________________________________________________________________
Date

(10) Suggested Exemption Certificate for Items Used for Agricultural Purposes.

(a) through (e) No change.

(f) The following is a suggested format of an exemption certificate to be issued by any person purchasing or leasing power farm equipment qualifying for exemption under Section 212.08(3), F.S., or items that qualify for exemption as items for agricultural use or items for agricultural purposes. Exemption purposes listed on the suggested format that are not relevant to the purchaser or lessee may be eliminated from the certificate. The Department does not furnish the printed exemption certificate to be executed by purchasers or lessees when purchasing tax-exempt power farm equipment or items for agricultural use or for agricultural purposes. For an aquaculture health product, the purchaser may use the suggested purchaser’s exemption certificate below or provide a copy of the aquaculture producer’s Aquaculture Certification from the Florida Department of Agriculture and Consumer Services to the selling dealer.

SUGGESTED PURCHASER’S EXEMPTION CERTIFICATE

ITEMS FOR AGRICULTURAL USE OR FOR

AGRICULTURAL PURPOSES AND POWER FARM EQUIPMENT

This is to certify that the items identified below, purchased on or after ___________ (date) from ______________________ (Selling Dealer’s Business Name) are purchased, leased, licensed, or rented for the following purpose as checked in the space provided. This is not intended to be an exhaustive list:

( ) Cloth, plastic, or similar material used for shade, mulch, or protection from frost or insects on a farm.

( ) Fertilizers (including peat, topsoil, sand used for rooting purposes, peatmoss, compost,
and manure, but not fill dirt), insecticides, fungicides, pesticides, and weed killers used for application on or in the cultivation of crops, groves, home vegetable gardens, and commercial nurseries.

( ) Generators purchased, rented, or leased for exclusive use on a poultry farm. See the exemption category provided for power farm equipment, as defined in Section 212.02(30), F.S., which includes generators, motors, and similar types of equipment.

( ) Insecticides and fungicides, including disinfectants, used in dairy barns or on poultry farms for the purpose of protecting cows or poultry or used directly on animals, as provided in Section 212.08(5)(a), F.S.

( ) Animal health product that are administered to, applied to, or consumed by livestock or poultry to alleviate pain or cure or prevent sickness, disease, or suffering, as provided in Section 212.08(5)(a), F.S.

( ) Aquaculture health product to prevent or treat fungi, bacteria, and parasitic diseases, as provided in Section 212.08(5)(a), F.S. I certify that I am engaged in the production of aquaculture products and certified under Section 597.004, F.S.

( ) Nets, and parts used in the repair of nets, purchased by commercial fisheries.

( ) Nursery stock, seedlings, cuttings, or other propagative material for growing stock.

( ) Portable containers, or moveable receptacles in which portable containers are placed, that are used for harvesting or processing farm products.

( ) Seedlings, cuttings, and plants used to produce food for human consumption.

( ) Stakes used to support plants during agricultural production.

( ) Items that are used by a farmer to contain, produce, or process an agricultural commodity, such as: glue for tin and glass for use by apiarists; containers, labels, and mailing cases for
honey; wax moth control with paradichlorobenzene; cellophane wrappers; shipping cases; labels, containers, clay pots and receptacles, sacks or bags, burlap, cans, nails, and other materials used in packaging plants for sale; window cartons; baling wire and twine used for baling hay; and other packaging materials for one time use in preparing an agricultural commodity for sale.

( ) Liquefied petroleum gas or other fuel used to heat a structure in which started pullets or broilers are raised.

( ) Liquefied petroleum gas, diesel, or kerosene used to transport bees by water and in the operation of equipment used in the apiary of a beekeeper.

( ) Liquefied petroleum gas, diesel, or kerosene used for agricultural purposes in any tractor, vehicle, or other farm equipment that is used exclusively on a farm for farming purposes.

( ) Butane gas, propane gas, natural gas, or other form of liquefied petroleum gas used in a tractor, vehicle, or other farm equipment used directly or indirectly for the production, packing, or processing of aquacultural products, whether on or off the farm.

( ) Power farm equipment or irrigation equipment for exclusive use in the agricultural production of crops or products, as produced by those agricultural industries included in Section 570.02(1), F.S., or

( ) Power farm equipment or irrigation equipment for exclusive use in fire prevention and suppression work for such crops or products, as produced by those agricultural industries included in Section 570.02(1), F.S., or

( ) Repairs to, or parts and accessories for, qualifying power farm equipment or irrigation equipment for exclusive use in the agricultural production of crops or products, as produced by those agricultural industries included in Section 570.02(1), F.S., or
( ) Repairs to, or parts and accessories for, qualifying power farm equipment or irrigation equipment for exclusive use in fire prevention and suppression work for such crops or products, as produced by those agricultural industries included in Section 570.02(1), F.S.

( ) Other (include description and statutory citation):

____________________________________________________________________________

I understand that if I use the item for any purpose other than the one I stated, I must pay tax on the purchase or lease price of the taxable item directly to the Department of Revenue.

I understand that if I fraudulently issue this certificate to evade the payment of sales tax I will be liable for payment of the sales tax plus a penalty of 200% of the tax and may be subject to conviction of a third degree felony.

The exemption specified by the purchaser may be verified by calling (850)488-6800, Monday through Friday (excluding holidays).

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

Purchaser’s Name

____________________________________________________________________________

Purchaser’s Address

____________________________________________________________________________

Name and Title of Purchaser’s Authorized Representative

____________________________________________________________________________

Sales and Use Tax Certificate No. (if applicable)
(12) Industrial Machinery and Equipment Used in Aquaculture

(a) Industrial machinery and equipment, including parts and accessories, purchased for use in aquacultural activities at fixed locations is exempt. For the purposes of this rule, the following definitions apply:

1. “Industrial machinery and equipment” means tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the manufacturing, processing, compounding, or production of tangible personal property for sale. A building and its structural components, including heating and air-conditioning equipment are included. The term also includes parts and accessories only to the extent that the exemption is consistent with this sub-paragraph.

2. “Aquacultural activities” means the business of cultivating aquatic organisms. Such businesses must be certified by the Department of Agriculture and Consumer Services. Aquacultural activities must produce an aquaculture product, defined as “aquatic organisms and any product derived from aquatic organisms that are owned and propagated, grown, or produced
under controlled conditions. Such products do not include organisms harvested from the wild for depuration, wet storage, or relay for purification.”

(b) Suggested Exemption Certificate for Industrial Machinery and Equipment Used in Aquaculture.

1. Any person who purchases items that qualify for the exemption must issue an exemption certificate to the selling dealer to purchase such machinery or equipment tax-exempt. The exemption certificate must contain the purchaser’s name and address, the reason for the exemption, and the signature of the purchaser or an authorized representative of the purchaser.

2. The selling dealer is only required to obtain one certificate for sales made for the purposes indicated on the certificate and is not required to obtain an exemption certificate for subsequent sales made to the same purchaser for the exempt purpose indicated on the exemption certificate. The selling dealer must maintain the required exemption certificates in its books and records until tax imposed by Chapter 212, F.S., may no longer be determined and assessed under Section 95.091(3), F.S.

3. Dealers who accept in good faith the required certificate from the purchaser or lessee will not be assessed sales tax on sales of qualifying machinery and equipment. In such instances, the Department will look solely to the purchaser or lessee for any additional sales or use tax due.

4. Selling dealers may contact the Department at (850)488-6800, Monday through Friday (excluding holidays) to verify the specific exemption specified by the purchaser or lessee. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

5. The following is a suggested format of an exemption certificate to be issued by any person purchasing or leasing industrial machinery or equipment qualifying for exemption under Section
212.08(5)(t), F.S. The Department does not furnish the printed exemption certificate to be executed by purchasers or lessees when purchasing tax-exempt machinery or equipment.

SUGGESTED EXEMPTION CERTIFICATE

EXEMPTION FOR INDUSTRIAL MACHINERY AND EQUIPMENT FOR USE IN AQUACULTURAL ACTIVITIES

I certify that the machinery and equipment purchased on or after________ (DATE) from ________________ (SELLER) is exempt from sales tax pursuant to Section 212.08(5)(t), Florida Statutes (F.S.), and will be used as an integral part in aquacultural activities in manufacturing, processing, compounding, or production of tangible personal property for sale. I understand that I must produce an aquaculture product as defined as “aquatic organisms and any product derived from aquatic organisms that are owned and propagated, grown, or produced under controlled conditions and that such products do not include organisms harvested from the wild for depuration, wet storage, or relay for purification.”

I understand that if the machinery and equipment purchased does not qualify for exemption under Section 212.08(5)(t), F.S., I will be liable for sales and use tax, interest, and penalties due on the purchase price of the items.

I further understand that when any person fraudulently issues, for the purpose of evading tax, a certificate or statement in writing to a vendor or to any agent of the state in which he or she claims exemption from the sales tax, such person, in addition to being liable for payment of the tax plus a mandatory penalty of 200% of the tax, will be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, Florida Statutes.

Under penalties of perjury, I declare that I have read the foregoing certificate and that the
facts stated in it are true.

Purchaser’s Name and Title (Print or Type)

______________________________

Purchaser’s Address

______________________________

Signature

______________________________

Date

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(14)(c), (30), (31), (32), 212.05(1), 212.0501, 212.06(1), 212.08(3), (5)(a), (e), (7)(jjj), 212.085 FS.

History—New 10-7-68, Amended 1-7-70, 6-16-72, 10-18-78, 7-20-82, 4-12-84, Formerly 12A-1.87, Amended 12-13-88, 3-1-00, 6-19-01, 9-15-08, 1-17-13, 1-11-16, 1-10-17, 1-17-18,______.

12A-1.097 Public Use Forms.

(1) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>(2) through (3)</td>
<td>No change.</td>
<td></td>
</tr>
<tr>
<td>(4)(a) DR-7</td>
<td>Consolidated Sales and Use Tax Return (R. 01/15)</td>
<td>01/19 01/15</td>
</tr>
<tr>
<td>(b) DR-7N</td>
<td>Instructions for Consolidated Sales and Use Tax Return (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td>(c) DR-15CON</td>
<td>Consolidated Summary – Sales and Use Tax Return (R. 01/15)</td>
<td>01/1901/15</td>
</tr>
</tbody>
</table>
(5)(a) DR-15 Sales and Use Tax Return (R. 01/15) 01/19 01/15

(b) DR-15N Instructions for DR-15 Sales and Use Tax Returns (R. 01/18) 01/19 01/18

(c) No change.

(d) DR-15EZ Sales and Use Tax Return (R. 01/15) 01/19 01/15

(e) DR-15EZN Instructions for DR-15EZ Sales and Use Tax Returns (R. 01/18) 01/19 01/18

(f) through (k) No change.

(6) through (12) No change.

(13) DR-95B Schedule of Tax Credits Claimed on Repossessed Tangible Personal Property (R. 01/18) 01/19 04/18

(14) through (19) No change.

(20) DR-2LLRP Florida Sales Tax Brackets Effective on all Leases and Licenses of Real Property Transactions Taxable under Section 212.031(1)(e), F.S. (N. 01/18) 01/18

(21) through (22) Renumbered (20) through (21) No change

(22) DR-26SIGEN Application for Refund – Sales Tax Paid on Generators for Nursing Homes or Assisted Living Facilities 01/19
Rulemaking Authority 201.11, 202.17(3)(a), 202.22(6), 202.26(3), 212.0515(7), 212.07(1)(b),
212.08(5)(b)4., (n)4., (o)4., (7), 212.11(5)(b), 212.12(1(a)2., 212.17(6), 212.18(2), (3), 212.183,
213.06(1), 288.1258(4)(c), 376.70(6)(b), 376.75(9)(b), 403.718(3)(b), 403.7185(3)(b),
443.171(2), (7) FS. Law Implemented 92.525(1)(b), (3), 95.091, 119.071(5), 125.0104,
125.0108, 201.01, 201.08(1)(a), 201.133, 202.11(2), (3), (6), (16), (24), 202.17, 202.22(3)-(6),
202.28(1), 203.01, 212.02, 212.03, 212.0305, 212.031, 212.04, 212.05, 212.0501, 212.0515,
212.054, 212.055, 212.06, 212.0606, 212.07(1), (8), (9), 212.08, 212.084(3), 212.085, 212.09,
212.096, 212.11(1), (4), (5), 212.12(1), (2), (9), (13), 212.13, 212.14(2), (4), (5), 212.17,
212.18(2), (3), 212.183, 213.235, 213.29, 213.37, 213.755, 215.26(6), 219.07, 288.1258,
290.00677, 365.172(9), 376.70, 376.75, 403.717, 403.718, 403.7185, 443.036, 443.121(1), (3),
443.131, 443.1315, 443.1316, 443.171(2), (7) FS. History—New 4-12-84, Formerly 12A-1.97,
Amended 8-10-92, 11-30-97, 7-1-99, 4-2-00, 6-28-00, 6-19-01, 10-2-01, 10-21-01, 8-1-02, 4-17-
03, 5-4-03, 6-12-03, 10-1-03, 9-28-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 4-1-08, 6-4-08, 1-27-09,
9-1-09, 11-3-09, 1-11-10, 4-26-10, 6-28-10, 7-12-10, 1-12-11, 1-25-12, 1-17-13, 5-9-13, 1-20-
14, 1-19-15, 1-11-16, 4-5-16, 1-10-17, 2-9-17, 1-17-18, 4-16-18._____.

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### Discretionary Sales Surtax - Lines 15(a) through 15(d)

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt Amount of Items Over $5,000 (included in Column 3)</td>
<td>( \text{Exempt Amount} \times \text{Surtax Rate} )</td>
</tr>
<tr>
<td>Other Taxable Amounts NOT Subject to Surtax (included in Column 3)</td>
<td>( \text{Other Taxable Amount} \times \text{Surtax Rate} )</td>
</tr>
<tr>
<td>Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate</td>
<td>( \text{Different Surtax Amount} \times \text{Surtax Rate} )</td>
</tr>
<tr>
<td>Total Amount of Discretionary Sales Surtax Due (including in Column 4)</td>
<td>( \text{Exempt Amount} + \text{Other Taxable Amount} + \text{Different Surtax Amount} \times \text{Surtax Rate} )</td>
</tr>
</tbody>
</table>

### Exempt Amount of Items Over $5,000

- Include use tax on Internet / out-of-state untaxed purchases

### Other Taxable Amounts NOT Subject to Surtax

- Include use tax on Internet / out-of-state untaxed purchases

### Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate

- Include use tax on Internet / out-of-state untaxed purchases

### Total Amount of Discretionary Sales Surtax Due

- Include use tax on Internet / out-of-state untaxed purchases
Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer: ___________________________ Date: ________________
Signature of Preparer: ___________________________ Date: ________________

Discretionary Sales Surtax - Lines 15(a) through 15(d)

15(b). Other Taxable Amounts NOT Subject to Surtax [included in Column 3] ... 15(b).
15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate [included in Column 3] ... 15(c).
15(d). Total Amount of Discretionary Sales Surtax Due [included in Column 4] ... 15(d).

17. Taxable Sales/Un taxed Purchases or Uses of Electricity [included in Line A] ... 17.
20. Rural or Urban High Crime Area Job Tax Credits .................................. 20.
21. Other Authorized Credits ...................................................................... 21.
Instructions for Consolidated Sales and Use Tax Return

Account Changes
If you change your business name, mailing address, location address within the same county, or close or sell your business, immediately notify the Department. You can also notify the Department when you temporarily suspend or resume your business operations. The quickest way to notify the Department is by visiting floridarevenue.com/taxes/updateaccount.

To notify us in writing, mail a letter to:
Account Management - MS 1-5730
Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0160

Be sure to include your business partner number, your consolidated sales tax filing number, and the certificate number for each location in any written correspondence sent to the Department.

Submit a new registration (online or paper) if you:
• move a business location from one Florida county to another;
• add another location;
• purchase or acquire an existing business; or
• change the form of ownership of your business.

Due Dates, Electronic Filing and Payment, and Other Filing Information

Electronic Filing and Payment: Consolidated sales and use tax returns and tax payments must be filed and paid electronically. You can file and pay sales and use tax by using the Department’s website or you may purchase software from a software vendor.

Due Dates: Tax returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, your tax return must be received electronically on the first business day following the 20th.

Due Dates for Electronic Payments: To avoid penalty and interest, you must initiate your electronic payment and receive a confirmation number no later than 5:00 p.m., ET, on the business day prior to the 20th. Keep the confirmation number in your records. For a list of deadlines for initiating electronic payments on time, visit floridarevenue.com/forms, select the e-Services section, and then select the current year Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659).

Vendor software: You may purchase software from a software vendor to file and pay sales and use tax electronically. While you may use purchased software to file your sales and use tax electronically, you may not use software to create paper (alternative or substitute) returns to file with the Department. If you use vendor software to prepare a “tax calculation worksheet,” do not file the worksheet with the Department as a tax return. To ensure proper credit to your account, be sure to transfer information from the worksheet to your personalized return.

Amended Returns: If you discover that your original return was incorrect, call Taxpayer Services at 850-488-6800 Monday through Friday, excluding holidays, for assistance amending your returns.

Keep records that support all transactions for at least three years from the date you file your return or the date it is required to be filed, whichever is later.

Florida Annual Resale Certificate
Registered sales and use tax dealers are provided a Florida Annual Resale Certificate to make tax-exempt purchases or rentals of property or services for resale. You may provide a paper or electronic copy of your current Florida Annual Resale Certificate or the certificate number to any seller when making purchases or rentals of property or services that you intend to resell or re-rent as part of your business. You may provide your Florida Annual Resale Certificate or certificate number for either the consolidated number (80-code number) or for an active location reported under the consolidated number. If you purchase or rent property or services that will be used in your business, your Florida Annual Resale Certificate should not be used.

As a dealer, you have an obligation to collect the applicable amount of sales and use tax and discretionary sales surtax when you resell or re-rent the property or service at retail. If you need help determining what you may buy or rent tax exempt for resale, the Florida Annual Resale Certificate for Sales Tax brochure (Form GT-800060) is available on the Department’s website.

Sellers who make tax-exempt sales or rentals for purposes of resale or re-rental must document the exemption using any one of these methods:
• Obtain a paper or electronic copy of your customer’s current Florida Annual Resale Certificate.
• For each tax-exempt sale, use your customer’s Florida sales tax certificate number to obtain a transaction authorization number.
• For each tax-exempt customer, use your customer’s Florida sales tax certificate number to obtain a vendor authorization number.

Sellers may verify a Florida Annual Resale Certificate number and obtain an authorization number:
• Online: Visit floridarevenue.com/taxes/certificates
• Phone: 877-357-3725
• Mobile app: Available for iPhone, iPad, Android devices, and Windows phones.

Proper Collection of Tax
Collecting the right amount of tax is important because mistakes will cost you money. Florida’s general state sales tax rate is 6%; however, there is an established “bracket system” for collecting sales tax on any part of each total taxable sale that is less than a whole dollar amount. Additionally, most counties also have a local option discretionary sales surtax.

Bracket rates are available at floridarevenue.com/forms.

[State Sales and Use Tax Rate] + [Surtax Rate] = [Total Tax Rate]
Calculate the total tax to be collected on the total amount of the sale. The total tax collected must be shown on each invoice. The sales tax and discretionary sales surtax may be shown as one total, or each tax can be shown separately. In many cases, the actual tax you collect is more than a straight percentage of the sales or use tax and surtax. You must use the bracket system to calculate the tax due when any part of each total sale is less than a whole dollar amount.

**Example:** A customer purchases a taxable item that sells for $60.67 (before tax) in a county with no discretionary sales surtax. To calculate the correct amount of Florida sales tax, the seller first multiplies $60 by 6% (state sales tax rate) to determine the sales tax on the whole dollar portion of the sale ($60 x 6% = $3.60). Using the bracket system, the seller then determines that the correct amount of sales tax on the amount less than a dollar ($0.67) is $0.05. Therefore, the total sales tax due on this transaction is $3.65 ($3.60 + $0.05 cents).

### Line-by-Line Instructions

The electronic consolidated sales and use tax return contains one Consolidated Summary Sales and Use Tax Return (Form DR-15CON) and a Consolidated Sales and Use Tax Return (Form DR-7) for each business location reported under the consolidated sales tax filing number. First, complete the return (Form DR-7) for each business location. When you have completed all the business location returns, the amounts reported will be automatically totaled and transferred to the appropriate lines and columns on the consolidated summary (Form DR-15CON).

If your consolidated sales and use tax return is missing a Consolidated Sales and Use Tax Return (Form DR-7) for one or more of your business locations, call Taxpayer Services for assistance at 850-488-6800, Monday through Friday, excluding holidays. The additional locations must be registered with the Department and must have the same federal employer identification number as your consolidated sales tax filing number.

**Line A. Sales/Services/Electricity**

Line A is used to report the total of all wholesale and retail sales transactions and certain untaxed purchases or uses as follows:

- Sales, leases, or licenses to use certain property or goods (tangible personal property).
- Sales and rentals, admissions, amusement machine receipts, and vending machine receipts (except food and beverage sales reported on Line E). The amount of taxable sales from amusement machines is also separately reported on Line 19.
- Sales of services including nonresidential interior pest control, nonresidential interior janitorial and cleaning services, residential and nonresidential burglar and other protection services, and detective services.
- Sales and untaxed purchases or uses of electricity taxed at the rate of 6.95% (2.6% imposed under Chapter 203, Florida Statutes [F.S.], and 4.35% imposed under Chapter 212, F.S.), plus surtax. You must also report this amount on Line 17.
- Sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment taxed at the rate of 6% sales tax, plus surtax. You must also report this amount on Line 18.

**Note:** Registered Florida motor vehicle dealers may use the method described in Tax Information for Motor Vehicle Dealers (Form GT-400400) to report tax on sales of motor vehicles to out-of-state residents.

### Column 1. Gross Sales

- **Do not** include:
  - tax collected;
  - fuel sales reported on a Florida fuel tax return; or
  - lottery ticket sales.

### Column 2. Exempt Sales

- Enter the total amount of tax-exempt sales included in Line A, Column 1. Enter “0” if none. Some examples of tax-exempt sales are sales for resale, sales of items specifically exempt, and sales to organizations that hold a Florida Consumer’s Certificate of Exemption.

### Column 3. Taxable Amount

Subtract total exempt sales from gross sales and enter the taxable amount. You must also report the total amount of sales that are subject to sales tax but are exempt from discretionary sales surtax, on Line 15(a) or Line 15(b). You must report on Line 15(c), the total amount of sales for which you collected discretionary sales surtax at a rate different than the rate of the county in which you are located.

In addition to reporting the Taxable Amount on the front of your return, remember to complete the back of the return for the following:

- Taxable sales and untaxed purchases or uses of electricity on Line 17.
- Taxable sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment on Line 18.
- Taxable sales from amusement machines on Line 19.

### Column 4. Tax Due

- Enter the total amount of tax due, including discretionary sales surtax due. You must also report the total amount of discretionary sales surtax due on Line 15(d).

#### Amusement and Vending Machine Sales

- You must be registered in each county where you operate vending or amusement machines. For each county in which you operate machines, you must report the gross sales and the tax due from amusement machines and from vending machines dispensing items other than food and beverages. Use the gross receipts from each type of machine that you operate and the tax rate divisor for the county where the machine is located to compute the amount of gross sales and tax due.

\[
\text{Total machine receipts} \div \text{Tax Rate Divisor} = \text{Gross Sales}.
\]

\[
\text{Total machine receipts} - \text{Gross Sales} = \text{Tax due, including discretionary sales surtax}.
\]

\[
\text{Gross Sales} \times \text{Surtax Rate} = \text{Discretionary Sales Surtax due}.
\]

- If you operate vending machines containing food or beverage items, complete Line E.
- If you operate amusement machines, include receipts in Line A and also complete Line 19.

#### Table: Sales/Surtax Rate

<table>
<thead>
<tr>
<th>Sales/Surtax Rate</th>
<th>Amusement Divisor</th>
<th>Other Vended Items Divisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0%</td>
<td>1.040</td>
<td>1.0659</td>
</tr>
<tr>
<td>6.5%</td>
<td>1.045</td>
<td>1.0707</td>
</tr>
<tr>
<td>7.0%</td>
<td>1.050</td>
<td>1.0749</td>
</tr>
<tr>
<td>7.5%</td>
<td>1.055</td>
<td>1.0791</td>
</tr>
<tr>
<td>8.0%</td>
<td>1.060</td>
<td>1.0833</td>
</tr>
</tbody>
</table>

**Example:** The total receipts from an amusement machine(s) in a county with a combined sales and surtax rate of 6.5% total
$100.00. Total receipts divided by the amusement machine divisor for the 6.5% rate equals gross sales. Total receipts minus gross sales equals tax due, including discretionary sales surtax due. Gross sales multiplied by the surtax rate equals discretionary sales surtax due.

$100 ÷ 1.045 = $95.69 (gross sales)

$100 – $95.69 = $4.31 (tax due, including surtax due)

$95.69 x .005 = $.48 [surtax portion to be reported on Line 15(d)]

Line B. Taxable Purchases - Use Tax
You owe "use tax" on taxable purchases of goods or services you have used or consumed that were:

- Internet and out-of-state purchases not taxed by the seller and NOT purchased for resale.
- Out-of-state or local purchases not taxed by a supplier and NOT purchased for resale whether ordered online, from a catalog, or by telephone.
- Taxable items, originally purchased untaxed for resale, which you, your business, or employees used or consumed.

Include use tax and discretionary sales surtax on the return for the reporting period during which you purchased, used, or consumed the item(s).

Column 1. Gross Sales - Not Applicable
Column 2. Exempt Sales - Not Applicable

Column 3. Taxable Amount
Enter the total amount of purchases used or consumed that were not taxed by suppliers and not for resale. If you report purchases exempt from discretionary sales surtax, also complete Line 15(a) or Line 15(b).

Column 4. Tax Due - Enter the total amount of use tax due, including discretionary sales surtax due.

- You must also report all discretionary sales surtax due on Line 15(d).
- If you paid sales tax to another state at a rate less than 6%, enter the total amount of Florida use tax, plus any applicable discretionary sales surtax on Line B, Column 4, and claim a credit for the tax paid to the other state on Line 6. When claiming a credit for sales tax paid to another state, make sure it is legally imposed. When in doubt, contact the tax agency in the state where the tax was paid.

Line C. Commercial Rentals
(5.7% Plus County Surtax Rate)
Commercial rentals include the renting, leasing, letting, or granting a license to use or occupy real property. Sales tax at the rate of 5.7%, plus discretionary sales surtax, is due on the total consideration charged for commercial property. The consideration charged may include charges for property taxes (whether paid to the landlord or directly to the county tax collector's office), or common area maintenance. Rentals, leases, and licenses to use or occupy real property by related persons are also considered commercial rentals (e.g., a corporate owner leases property to his or her corporation). The $5,000 limitation for discretionary sales surtax does not apply to commercial rentals.

Column 1. Gross Sales - Enter the total amount of consideration for commercial rentals. Do not include tax collected in the amount reported.

Column 2. Exempt Sales - Enter the total amount of consideration for tax-exempt commercial rentals included in Line C, Column 1. Enter “0” if none. See section 212.031, F.S., and Rule 12A-1.070, Florida Administrative Code (F.A.C.), for exemptions specifically available to commercial rentals.

Column 3. Taxable Amount - Subtract the amount reported in Column 2 from the amount reported in Column 1 and enter the difference (the taxable amount).

Column 4. Tax Due - Enter the total amount of tax due, including discretionary sales surtax due. You must also report all discretionary sales surtax due on Line 15(d).

Line C(a). Less Sales Tax Scholarship Credits
Report the amount of any state tax credit authorized by the Florida Sales Tax Credit Scholarship Program and taken by your tenant(s) against the total sales tax and surtax due on commercial rentals. The amount of sales tax credit reported may not exceed the state sales tax due and reported in the amount on Line C, Column 4 (Commercial Rentals Tax Due). This credit is not available for any discretionary sales surtax due on commercial rentals. For more information on the Florida Sales Tax Credit Scholarship Program, visit floridarevenue.com/taxes/sfo.

Line D. Transient Rentals
Transient rentals are leases or rentals of living, sleeping, or housekeeping accommodations, such as hotels, motels, single-family dwellings, multi-unit dwellings, apartments, rooming houses, condominiums, timeshare resorts, vacation houses, beach houses, mobile homes, or any other living, sleeping, or housekeeping accommodations. Transient rental taxes must be collected and paid on all rental charges, including any rental charges that are required to be paid by the guest as a condition of the use of the accommodation, unless the rental charge is specifically exempt. See Rule 12A-1.061, F.A.C., for more information on what constitutes a “rental charge” and which rental charges are specifically exempt.

Some counties impose one or more local option taxes on transient rentals. Many counties self-administer these local option taxes. Contact your county taxing agency to determine whether your county imposes one of these taxes and if you are required to report and pay the taxes directly to your county taxing agency or to the Department of Revenue.

Form DR-15TDT, available on the Department’s website, provides a listing of county local option transient rental rates and whether the local option tax is collected and administered by the county or by the Department of Revenue.

Column 1. Gross Sales - Enter the total gross amounts (rental charges) charged for transient rentals only. Do not include tax collected in gross sales.

Column 2. Exempt Sales - Enter the total amount of tax-exempt transient rentals included in Line D, Column 1. Enter “0” if none.

Column 3. Taxable Amount - Subtract total exempt transient rentals (Column 2) from total gross transient rentals (Column 1) and enter the difference (the taxable amount).

Column 4. Tax Due - Enter the total amount of tax due, including any discretionary sales surtax due and any local option tax (for example, tourist development tax) administered by the Department of Revenue. You must also report all discretionary sales surtax due on Line 15(d). The $5,000 limitation for discretionary sales surtax does not apply to transient rentals.

Line E. Food & Beverage Vending
If you operate food and beverage vending machines, compute your gross sales by dividing the total receipts from the machine(s) by the appropriate food and beverage divisor for the county where the machine(s) is located.

Column 1. Gross Sales - Enter the total amount of gross sales computed from food and beverage vending machines receipts. Do not include tax collected in gross sales.
Column 2. Exempt Sales - Enter the total amount of tax-exempt sales included in Line E, Column 1. Enter “0” if none.

Column 3. Taxable Amount - Subtract total exempt sales from total gross sales and enter the taxable amount.

Column 4. Tax Due - Enter the total amount of tax due, including discretionary sales surtax due. You must also report all discretionary sales surtax due on Line 15(d).

<table>
<thead>
<tr>
<th>Sales/Surtax Rate</th>
<th>Food and Beverage Divisor</th>
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</thead>
<tbody>
<tr>
<td>6.0%</td>
<td>1.0645</td>
</tr>
<tr>
<td>6.5%</td>
<td>1.0686</td>
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<tr>
<td>7.0%</td>
<td>1.0726</td>
</tr>
<tr>
<td>7.5%</td>
<td>1.0767</td>
</tr>
<tr>
<td>8.0%</td>
<td>1.0808</td>
</tr>
</tbody>
</table>

Example: The total receipts from a soft drink machine in a county with a combined sales and surtax rate of 6.5% total $100. Total receipts divided by the food and beverage divisor for the 6.5% rate equals gross sales. Total receipts minus gross sales equals tax due, including discretionary sales surtax due. Gross sales multiplied by the surtax rate equals discretionary sales surtax due.

\[
\$100 \div 1.0686 = \$93.58 \text{ (gross sales)}
\]

\[
\$100 - \$93.58 = \$6.42 \text{ (tax due, including surtax due)}
\]

\[
\$93.58 \times .005 = \$4.70 \text{ (surtax portion to be reported on Line 15d)}
\]

Line 5. Total Amount of Tax Due
Add the amounts in Column 4, Lines A, B, C, D, and E. Subtract the amount on Line C(a), Column 4, from the total and enter the result on Line 5.

Line 6. Less Lawful Deductions
Enter the total amount of all allowable tax deductions, except sales tax credit memos issued by the Department (reported on Line 8). Lawful deductions include tax refunded by you to your customers for returned goods or allowances for damaged merchandise, tax paid by you on purchases of goods intended for use or consumption but sold by you instead, Hope Scholarship Credits, and any other deductions allowed by law.

- If you are claiming any approved Hope Scholarship Credits, report the amount of the credits on Line 6 and on Line 16.
- Do not include documentation with your return.

You will not receive a credit if the amount of lawful deductions (Line 6) on a location return is more than the total amount of tax due (Line 5) reported on that location return. If the amount of your lawful deductions is more than the total amount of tax due on a location return, reduce the amount of lawful deductions claimed to equal the total amount of tax due. You may report the remaining amount of lawful deductions (not to exceed the total amount of tax due) on your next return.

Line 7. Net Tax Due
Subtract Line 6 from Line 5 and enter the amount on Line 7.

Lines 8 - 9. Estimated Tax
If you paid $200,000 or more in state sales and use tax on returns you filed during the most recent state fiscal year (July 1 through June 30), you must make an estimated sales tax payment every month, starting with the December return, due January 1. Before you file your FINAL return or if you have questions about estimated tax, call Taxpayer Services.

Line 8. Less Estimated Tax Paid/Department of Revenue (DOR) Credit Memo
Enter the total amount of estimated tax you paid last month, the amount of any sales tax credit memo(s) issued by the Department, and the amount of any specifically authorized tax credits for which you have received a letter of approval from the Department. Follow the instructions sent to you from the Department.

You will not receive a credit if the amount of credit (Line 8) reported on a location return is greater than the net amount of tax due (Line 7) reported on that location return. If the amount of credit for that return is more than the amount of tax due, reduce the amount of credit claimed to equal the net amount of tax due. You may report the remaining amount of credit (not to exceed the net amount of tax due) on your next return. When you file your FINAL return, complete an Application for Refund – Sales and Use Tax (Form DR-26S) to obtain a refund of the credit balance.

Line 9. Plus Estimated Tax Due Current Month
Enter the total amount of estimated tax due, if applicable, using one of the following three computation methods. You are NOT required to use only one method and may choose to use any one of these methods throughout the year.

### Three Methods for Computing Estimated Tax

The percentage for calculating estimated tax is 60%. Your estimated tax liability is based only on Florida sales and use tax due (Form DR-15CON, Line 7, Net Tax Due minus any local option discretionary sales surtax and any local option transient rental tax). If you incorrectly calculate or forget to enter your estimated tax, you cannot amend your return. Compute your estimated tax liability by one of the following methods:

#### Method 1 – Average Tax Liability

Calculate 60% of your average state sales tax due for the months you reported taxable transactions during the calendar year.

Example: When completing your December return (due January 1 of the following year), calculate your average state sales tax due during the calendar year. To calculate your average state sales tax due, complete the following steps:

Step 1. Review all of your sales tax returns filed for the calendar year.

Step 2. Add together the amounts on Line 7 from each return. Subtract any local option discretionary sales surtax and any local option transient rental tax included in Line 7.

Step 3. To calculate the monthly average state sales tax due, divide the total calculated in Step 2 by the number of returns that were filed with tax due on Line 7.

Step 4. Multiply your monthly average state sales tax due by 60%.

Step 5. Enter the result from Step 4 on Line 9 of each return the following year, beginning with your December return due January 1.

The amount calculated in Step 4 can be used on each of your returns for the following year through the November reporting period.

#### Method 2 – Current Month/Previous Year

Calculate 60% of your state sales tax due for the same month of the previous calendar year.

Example: When completing your December return, multiply the amount on Line 7 of your January return for the same calendar year (minus any local option discretionary sales surtax and any local option transient rental tax) by 60%. Enter that amount on Line 9.
Method 3 – Current Month

Calculate 60% of the state sales tax due for the next month’s return.

Example: When completing your December return, your estimated tax due is 60% of what you will report (minus any local option discretionary sales surtax and any local option transient rental tax) on your January return. Enter that amount on Line 9.

Penalty for Underpayment of Estimated Tax – If you fail to report and pay the minimum amount of estimated tax due each reporting period, you are subject to a loss of collection allowance and a 10% penalty on any underpayment of estimated tax due, and must pay interest on the amount underpaid.

Line 10. Amount Due

Subtract the amount on Line 8 from Line 7. Add the amount on Line 9. Enter the result on Line 10. The amount entered on Line 10 on Form DR-15CON cannot be negative.

Line 11. Less Collection Allowance

When you electronically file your consolidated sales and use tax return and pay timely, you are entitled to deduct a collection allowance of 2.5% (.025) of the first $1,200 of the Amount Due (Line 10), not to exceed $30 on each location return (Form DR-7). You are not entitled to a collection allowance if you file your return or make your payment by other than electronic means.

If you are entitled to a collection allowance, you may choose to donate the collection allowance to the Educational Enhancement Trust Fund. This fund is used to purchase up-to-date technology for classrooms in local school districts in Florida. If you are eligible and choose to donate your collection allowance to education, check the “donate to education” box and leave Line 11 blank. The Department will calculate the collection allowance and transfer that amount to the Educational Enhancement Trust Fund. You must make this choice on each original and timely filed electronic return. You cannot make this choice after your electronic return is filed.

Line 12. Plus Penalty

For late returns and payments, the penalty is either:

• A minimum of $50 if 10% of Line 10 is less than $50, or
• 10% of the amount due on Line 10.

If your return or payment is late, the minimum penalty is $50 for each location (reported on a separate location return, Form DR-7) included in your consolidated sales and use tax return, even if you file a late return with no tax due.

Line 13. Plus Interest

If your payment is late, you owe interest on the Amount Due (Line 10). Florida law provides a floating rate of interest for late payments of taxes and fees due, including discretionary sales surtax. Interest rates, including daily rates, are published in Tax Information Publications that are updated semiannually on January 1 and July 1 each year and available on the Department’s website at floridarevenue.com/taxes/rates.

Line 14. Amount Due with Return

You may receive a collection allowance when you file and pay electronically and on time. Subtract Line 11 from Line 10 and enter the result on Line 14. If you choose to donate your collection allowance to education, check the “donate to education” box and leave Line 11 blank.

All dealers: If your return or payment is late, add Lines 12 and 13 to Line 10 and enter the amount due on Line 14. Line 14 is the amount you owe.

Lines 15(a). - 15(d). Discretionary Sales Surtax

If you sell, rent, deliver, or receive taxable merchandise or services in or at a location within a county imposing a discretionary sales surtax, you are required to collect surtax at the rate imposed in the county where the merchandise or service is delivered. The discretionary sales surtax also applies to the rental of real property and transient rentals and is collected at the county rate where the property is located.

Most counties impose a local option discretionary sales surtax that must be collected on taxable transactions. You must collect discretionary sales surtax along with the 6% state sales tax and send both taxes to the Department. Current discretionary sales surtax rates for all counties are listed on Discretionary Sales Surtax Information (Form DR-15DSS), available on the Department’s website.

If you have locations in any Florida counties that impose a discretionary sales surtax, the applicable surtax rate is printed on each DR-7 return. For out-of-state locations, the DR-7 returns will not show a discretionary sales surtax rate. However, all dealers must collect discretionary sales surtax on taxable sales when the transaction occurs in, or delivery is into, a county that imposes a surtax. Use the chart below to help you determine when and at what rate to collect discretionary sales surtax.

For motor vehicle and mobile home sales, use the surtax rate of the county identified as the residence address of the purchaser on the registration or title document for the motor vehicle or mobile home. The surtax applies to the first $5,000 of the sales amount on any item of tangible personal property.

The $5,000 limitation does not apply to rentals of real property, transient rentals, or services.

**When and at What Rate to Collect Discretionary Sales Surtax (Local Option County Tax) on Taxable Sales**

<table>
<thead>
<tr>
<th>Description</th>
<th>Surtax Rate</th>
<th>Taxable Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a selling dealer located in any Florida county</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with a discretionary surtax</td>
<td>into the county where the selling dealer is located</td>
<td>surtax is collected at the county rate where the delivery is made</td>
</tr>
<tr>
<td>with or without a discretionary surtax</td>
<td>into counties with different discretionary surtax rates</td>
<td>surtax is collected at the county rate where the delivery is made</td>
</tr>
<tr>
<td>with or without a discretionary surtax</td>
<td>into counties without a discretionary surtax</td>
<td>surtax is not collected</td>
</tr>
<tr>
<td>If an out-of-state selling dealer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sells and delivers</td>
<td>into a Florida county with a discretionary surtax</td>
<td>surtax is collected at the county rate where the delivery is made</td>
</tr>
<tr>
<td>with or without a discretionary surtax</td>
<td>into a Florida county without a discretionary surtax</td>
<td>surtax is not collected</td>
</tr>
</tbody>
</table>
Include discretionary sales surtax with tax reported on Lines A through E in Column 4 of all your location returns. Do not send discretionary sales surtax collections to the county tax collector's office.

Use our Address/Jurisdiction database to determine which county an address is located in. Visit floridarevenue.com/taxes/pointmatch.

Line 15(a). Exempt Amount of Items Over $5,000
On your DR-7 returns and your DR-15CON return, enter the amount in excess of $5,000 for each single sale of taxable tangible personal property (reported on Line A) and the amount in excess of $5,000 for each single purchase for which sales tax and discretionary sales surtax is due (reported on Line B).

Example: If you sold a single item for $7,000, enter $2,000 (the amount over $5,000) on Line 15(a). Do NOT include exempt sales reported in Column 2.

Line 15(b). Other Taxable Amounts NOT Subject to Surtax
On each of your location returns, enter the amount of taxable sales or purchases included in Column 3 that are not subject to discretionary sales surtax. This includes services and tangible personal property delivered into non-surtax counties that are subject to sales tax, but not subject to discretionary sales surtax. Do NOT include exempt sales reported in Column 2.

Line 15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate
On Line 15(c) you must report the total amount of taxable sales and purchases for which discretionary sales surtax is due at a rate different than the rate of the county in which you are located. Enter the taxable amounts from Line A, Column 3, and Line B, Column 3, for which discretionary sales surtax is due at a rate different than the county in which you are located.

Example: A business located in a county with a 1% discretionary sales surtax rate sells a single taxable item for $3,000 and delivers the merchandise into a county with a 1.5% discretionary sales surtax rate. The discretionary sales surtax is to be collected at 1.5%. The business will report the $3,000 on Line 15(c), since this is the taxable amount that was subject to a different county discretionary sales surtax rate. The business will report the surtax collected at 1.5% on Line 15(d).

Line 15(d). Total Amount of Discretionary Sales Surtax Due
On each of your location returns, enter the total amount of discretionary sales surtax due on Line 15(d). Do not include state sales tax in this amount.

Line 16. Hope Scholarship Credits
Enter the total Hope Scholarship Credits on Line 16 and include the total amount of credits in the amount entered on Line 6. For more information on the Hope Scholarship Program, visit floridarevenue.com/taxes/sfo.

Line 17. Taxable Sales/Untaxed Purchases or Uses of Electricity (6.95% Plus County Surtax Rate)
On each of your location returns, enter the taxable amount of sales and untaxed purchases or uses of electricity subject to the 6.95% tax rate (2.6% imposed under Chapter 203, F.S., and 4.35% imposed under Chapter 212, F.S.), plus surtax. The sale or use of electricity is subject to discretionary sales surtax at the rate imposed by the county where the consumer of the electricity is located.

Line 18. Taxable Sales/Untaxed Purchases of Dyed Diesel Fuel
On each of your location returns, enter the total amount of taxable sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment. If the sale or purchase of dyed diesel fuel occurred in a county that imposes discretionary sales surtax, sales tax plus the applicable discretionary sales surtax is due.

Line 19. Taxable Sales from Amusement Machines
On each of your location returns, enter the amount of taxable sales from amusement machines.

Line 20. Rural or Urban High Crime Area Job Tax Credits
On each of your location returns, enter the amount of rural or urban high crime area job tax credits for which you have received a letter of approval from the Department on Line 20 and on Line 8. Follow the instructions sent to you from the Department.

Line 21. Other Authorized Credits
On each of your location returns, enter only credits specifically authorized by the Department. Follow the instructions sent to you from the Department.

Signature(s)
Sign and date your Consolidated Summary Sales and Use Tax Return (Form DR-15CON).

For corporations, an authorized corporate officer must sign. If someone else prepared the returns, the preparer must also sign and date the returns. Please provide the telephone number of each person signing the returns.

Contact Us
Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

If you have questions or need assistance, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

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

To find a taxpayer service center near you, visit floridarevenue.com/taxes/servicecenters.

Subscribe to Receive Email Alerts from the Department.
Subscribe to receive an email when Tax Information Publications and proposed rules are posted to the Department’s website. Subscribe today at floridarevenue.com/dor/subscribe.

Educational Tax Webinars
The Department of Revenue is proud to partner with SCORE to provide Florida businesses with resources needed to be successful. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. Visit the Department’s Taxpayer Education webpage for additional information and available webinars at floridarevenue.com/taxes/education.
## References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
<th>Rule</th>
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</thead>
<tbody>
<tr>
<td>Form DR-7</td>
<td>Consolidated Sales and Use Tax Return</td>
<td>Rule 12A-1.097, F.A.C.</td>
</tr>
<tr>
<td>Form DR-15CON</td>
<td>Consolidated Summary Sales and Use Tax Return</td>
<td>Rule 12A-1.097, F.A.C.</td>
</tr>
<tr>
<td>Form DR-26S</td>
<td>Application for Refund – Sales and Use Tax</td>
<td>Rule 12-26.008, F.A.C.</td>
</tr>
</tbody>
</table>
Consolidated Summary
Sales and Use Tax Return

Please complete this return and forms DR-7.

<table>
<thead>
<tr>
<th>Certificate Number:</th>
<th>Sales and Use Tax Return</th>
<th>HD/PM Date:</th>
<th>DR-15CON R. 01/19</th>
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<tbody>
<tr>
<td>Florida</td>
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<td></td>
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<tr>
<td>A. Sales/Services/Electricity</td>
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<td>·</td>
<td>·</td>
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<tr>
<td>B. Taxable Purchases</td>
<td>·</td>
<td>·</td>
<td>·</td>
</tr>
<tr>
<td>C. Commercial Rentals</td>
<td>·</td>
<td>·</td>
<td>·</td>
</tr>
<tr>
<td>D. Transient Rentals</td>
<td>·</td>
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<td>·</td>
</tr>
<tr>
<td>E. Food &amp; Beverage Vending</td>
<td>·</td>
<td>·</td>
<td>·</td>
</tr>
</tbody>
</table>

| Surtax Rate: | Reporting Period | |
|--------------|------------------|
| 1. Gross Sales | · | · | · |
| 2. Exempt Sales | · | · | · |
| 3. Taxable Amount | · | · | · |
| 4. Tax Due | · | · | · |
| 5. Total Amount of Tax Due | · |
| 6. Less Lawful Deductions | · |
| 7. Net Tax Due | · |
| 8. Less Est Tax Pd / DOR Cr Memo | · |
| 9. Plus Est Tax Due Current Month | · |
| 10. Amount Due | · |
| 11. Less Collection Allowance | · |
| 12. Plus Penalty | · |
| 13. Plus Interest | · |
| 14. Amount Due with Return | · |

↓ Do Not Detach ↓

Name
Address
City/State/ZIP

Due: Late After:

FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE ST
TALLAHASSEE FL 32399-0120

E-file/E-pay Only
File and Pay Online to Receive a Collection Allowance. When you electronically file your tax return and pay timely, you are entitled to deduct a collection allowance of 2.5% (.025) of the first $1,200 of tax due, not to exceed $30. To pay timely, you must initiate payments no later than 5:00 p.m., ET, on the business day prior to the 20th. More information on filing and paying electronically, including a Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659), is available at floridarevenue.com.

Due Dates. Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. A return must be filed for each reporting period, even if no tax is due. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, returns are timely if postmarked or hand delivered on the first business day following the 20th.

Penalty. If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, but not less than $50, may be charged. The $50 minimum penalty applies even if no tax is due. A floating rate of interest also applies to late payments and underpayments of tax.

Amended Returns: If you discover that your original DR-15CON and DR-7 returns were incorrect, call 850-488-6800 and our staff will help you amend your returns.

Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0120

Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer ___________________________ Date ___________________________

Signature of Preparer ___________________________ Date ___________________________

Telephone Number (__________) Telephone Number (__________)

Discretionary Sales Surtax - Lines 15(a) through 15(d)

15(a). Exempt Amount of Items Over $5,000 (included in Column 3) ......................................................... 15(a).
15(b). Other Taxable Amounts NOT Subject to Surtax (included in Column 3) .............................................. 15(b).
15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate (included in Column 3) ........ 15(c).
15(d). Total Amount of Discretionary Sales Surtax Due (included in Column 4) .............................................. 15(d).

16. Hope Scholarship Credits (included in Line 6) ................................................................................. 16.
17. Taxable Sales/Untaxed Purchases or Uses of Electricity (included in Line A) ........................................... 17.
19. Taxable Sales from Amusement Machines (included in Line A) ............................................................ 19.
20. Rural or Urban High Crime Area Job Tax Credits ............................................................................ 20.
21. Other Authorized Credits ........................................................................................................ 21.
# Sales and Use Tax Return

**Florida**

**Certificate Number:**

<table>
<thead>
<tr>
<th>A. Sales/Services/Electricity</th>
<th>B. Taxable Purchases</th>
<th>C. Commercial Rentals</th>
<th>D. Transient Rentals</th>
<th>E. Food &amp; Beverage Vending</th>
</tr>
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<tbody>
<tr>
<td>1. Gross Sales</td>
<td></td>
<td>2. Exempt Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HD/PM Date:</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
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<tr>
<td>3. Taxable Amount</td>
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<tr>
<td>4. Tax Due</td>
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<td></td>
</tr>
</tbody>
</table>

**Surtax Rate:**

**Reporting Period:**

**Florida Department of Revenue**

5050 W Tennessee Street

Tallahassee, FL 32399-0120

**Due:**

Late After:

---

Please read the Instructions for DR-15 Sales and Use Tax Returns (Form DR-15N), incorporated by reference in Rule 12A-1.097, F.A.C., before you complete this return. Instructions are posted at flordarevenue.com/forms.
File and Pay Online to Receive a Collection Allowance. When you electronically file your tax return and pay timely, you are entitled to deduct a collection allowance of 2.5% (.025) of the first $1,200 of tax due, not to exceed $30. To pay timely, you must initiate payments no later than 5:00 p.m., ET, on the business day prior to the 20th. More information on filing and paying electronically, including a Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659), is available at floridarevenue.com.

Due Dates. Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. A return must be filed for each reporting period, even if no tax is due. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, returns are timely if postmarked or hand delivered on the first business day following the 20th.

Penalty. If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, but not less than $50, may be charged. The $50 minimum penalty applies even if no tax is due. A floating rate of interest also applies to late payments and underpayments of tax.

Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer Date Signature of Preparer Date

Discretionary Sales Surtax - Lines 15(a) through 15(d)

| 15(a). Exempt Amount of Items Over $5,000 (included in Column 3) |
| 15(b). Other Taxable Amounts NOT Subject to Surtax (included in Column 3) |
| 15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate (included in Column 3) |
| 15(d). Total Amount of Discretionary Sales Surtax Due (included in Column 4) |

| 16. Hope Scholarship Credits (included in Line 6) |
| 17. Taxable Sales/Untaxed Purchases or Uses of Electricity (included in Line A) |
| 18. Taxable Sales/Untaxed Purchases of Dyed Diesel Fuel (included in Line A) |
| 19. Taxable Sales from Amusement Machines (included in Line A) |
| 20. Rural or Urban High Crime Area Job Tax Credits |
| 21. Other Authorized Credits |

Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer Date Signature of Preparer Date

Discretionary Sales Surtax - Lines 15(a) through 15(d)

| 15(a). Exempt Amount of Items Over $5,000 (included in Column 3) |
| 15(b). Other Taxable Amounts NOT Subject to Surtax (included in Column 3) |
| 15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate (included in Column 3) |
| 15(d). Total Amount of Discretionary Sales Surtax Due (included in Column 4) |

| 16. Hope Scholarship Credits (included in Line 6) |
| 17. Taxable Sales/Untaxed Purchases or Uses of Electricity (included in Line A) |
| 18. Taxable Sales/Untaxed Purchases of Dyed Diesel Fuel (included in Line A) |
| 19. Taxable Sales from Amusement Machines (included in Line A) |
| 20. Rural or Urban High Crime Area Job Tax Credits |
| 21. Other Authorized Credits |
**Instructions for DR-15 Sales and Use Tax Returns**

- **Lawful deductions (Line 6)** cannot be more than **tax due (Line 5).**
- **DOR credit memos and estimated tax (Line 8)** cannot be more than **net tax due (Line 7).**
- Be sure to use the correct tax return for each reporting period.
- **File and pay electronically and on time to receive a collection allowance.**
- Date: Late After:
- Be sure to complete Lines 15(a) through 15(d).

<table>
<thead>
<tr>
<th>Certificate Number:</th>
<th>Sales and Use Tax Return</th>
<th>HD/PM Date:</th>
<th>DR-15 R. 01/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Sales/Services/Electricity</td>
<td>A. Sales/Services/Electricity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Sales/Services/Electricity</td>
<td>B. Taxable Purchases</td>
<td>C. Commercial Rentals</td>
<td>D. Transient Rentals</td>
</tr>
</tbody>
</table>

- **Surtax Rate:** Reporting Period
- **A. Sales/Services/Electricity**
- **B. Taxable Purchases**
- **C. Commercial Rentals**
- **D. Transient Rentals**
- **E. Food & Beverage Vending**
- **5. Total Amount of Tax Due**
- **6. Less Lawful Deductions**
- **7. Net Tax Due**
- **8. Less Est Tax Pd / DOR Cr Memo**
- **9. Plus Est Tax Due Current Month**
- **10. Amount Due**
- **11. Less Collection Allowance**
- **12. Plus Penalty**
- **13. Plus Interest**
- **14. Amount Due with Return**

- **Sales and Use Tax Return HD/PM Date:**            /             /          DR-15 R. 01/19
- **E-file/E-pay Only**

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**Subscribe to Receive Email Alerts from the Department!**

Did you know you can subscribe to the Department’s tax publications and receive email alerts when certain items are posted on the website? Subscriptions are available for due date reminders, Tax Information Publications, and proposed rules.

Subscribe today at floridarevenue.com/dor/subscribe
Due Dates, Electronic Filing and Payment, and Other Filing Information

Due Dates: Tax returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, your tax return must be received electronically, postmarked, or hand-delivered on the first business day following the 20th.

Due Dates for Electronic Payments: To avoid penalty and interest, you must initiate electronic payment and receive a confirmation number no later than 5:00 p.m., ET, on the business day prior to the 20th. Keep the confirmation number in your records. For a list of deadlines for initiating electronic payments on time, visit floridarevenue.com/forms, select the e-Services section, and then select the current year Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659).

Due Date Reminders: If you file your paper returns monthly or quarterly, you can sign up to receive an email every reporting period, reminding you of the due date. Visit floridarevenue.com/dor/subscribe. Electronic filers will receive due date reminders without using the subscription service.

No Tax Due? Telefile at 800-550-6713 - You must file a tax return for each reporting period, even if no tax is due. You can telefile using the toll-free number to conveniently file your returns when no tax is due and you are not claiming deductions or credits. When you telefile your return instead of mailing it, you will receive a confirmation number for your records. If you telefile, remember:

• to have your certificate number handy - it’s printed on your returns; and
• do not mail your return to the Department - keep it with your confirmation number.

Electronic Filing and Payment: You can file returns and pay sales and use tax using the Department’s website or you may purchase software from a software vendor. You may voluntarily file returns and pay tax electronically; however, taxpayers who paid $20,000 or more in sales and use tax during the most recent state fiscal year (July 1 through June 30) are required to file returns and pay tax electronically during the next calendar year (January through December).

Enroll to file and pay electronically: Visit floridarevenue.com/taxes/eEnroll. After you complete your electronic enrollment, additional information about electronic filing will be sent to you.

Vendor software: You may purchase software from a software vendor to file and pay sales and use tax electronically. While you may use purchased software to file your sales and use tax electronically, you may not use software to create paper (alternative or substitute) returns to file with the Department. If you use vendor software to prepare a “tax calculation worksheet,” do not file the worksheet with the Department as a tax return. To ensure proper credit to your account, be sure to transfer information from the worksheet to your personalized return.

Amended replacement returns: If you discover that your original return was incorrect, you must complete an amended return and submit it electronically or by mail. Your amended return will replace any return you previously filed for the same reporting period. It is important that you complete the amended return as it should have been originally filed rather than entering only additional or corrected information.

The quickest way to file an amended return is online. Visit floridarevenue.com to submit your amended return electronically and pay any additional tax due or report an overpayment.

If you choose to file an amended return by mail, you will need a blank return from the Department. To download a blank return, visit floridarevenue.com/forms, select the Sales and Use Tax section, and then select the return that you need. Write your certificate number, reporting period, business name, and address on the return.

• Write “Amended replacement” on the return you use (see example below).
• Enter the correct information on Lines 1-21.

Your amended return may result in an overpayment or an additional amount due. If you overpaid the amount due with your original return or you owe an additional amount, the amount reported on Line 14 of the amended return will not match any overpayment or any additional amount due. You must pay any additional amount due with the amended return. If you have overpaid, a credit for the amount overpaid will be issued.

Checks or Money Orders (NO Cash): Tax payments must be in U.S. funds only. Make checks or money orders payable to the Florida Department of Revenue. Write your certificate number on your check or money order. Mail your check or money order with your return.

Keep records that support all transactions for at least three years from the date you file your return or the date it is required to be filed, whichever is later.

Mailing Your Returns and Payments: If you received window-style envelopes from the Department, be sure to place your return in the envelope so the Department’s mailing address can be seen in the window of the envelope. If you use a return without your business information printed on it, write your business name, address, certificate number, and reporting period in the spaces provided. If you do not have a window-style return envelope, mail your return and payment to:

Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0120
Account Changes

If you change your business name, mailing address, location address within the same county, or close or sell your business, immediately notify the Department. You can also notify the Department when you temporarily suspend or resume your business operations. The quickest way to notify the Department is by visiting floridarevenue.com/taxes/updateaccount.

To notify us in writing, mail a letter to:
Account Management - MS 1-5730
Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0160

Be sure to include your business partner number and your certificate number in any written correspondence sent to the Department.

If you cancel your account or sell your business, you must file a final return and pay all applicable taxes due within 15 days after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

Submit a new registration (online or paper) if you:
• move your business location from one Florida county to another;
• add another location;
• purchase or acquire an existing business; or
• change the form of ownership of your business.

Florida Annual Resale Certificate

Registered sales and use tax dealers are provided a Florida Annual Resale Certificate to make tax-exempt purchases or rentals of property or services for resale. You may provide a paper or electronic copy of your current Florida Annual Resale Certificate or the certificate number to any seller when making purchases or rentals of property or services that you intend to resell or re-rent as part of your business. If you purchase or rent property or services that will be used in your business, your Florida Annual Resale Certificate should not be used.

As a dealer, you have an obligation to collect the applicable amount of sales and use tax and discretionary sales surtax when you resell or re-rent the property or service at retail. If you need help determining what you may buy or rent tax exempt for resale, the Florida Annual Resale Certificate for Sales Tax brochure (Form GT-800060) is available on the Department’s website.

Sellers who make tax-exempt sales or rentals for purposes of resale or re-rental must document the exemption using any one of these methods:
• Obtain a paper or electronic copy of your customer’s current Florida Annual Resale Certificate.
• For each tax-exempt sale, use your customer’s Florida sales tax certificate number to obtain a transaction authorization number.
• For each tax-exempt customer, use your customer’s Florida sales tax certificate number to obtain a vendor authorization number.

Sellers may verify a Florida Annual Resale Certificate number and obtain an authorization number:
• Online: Visit floridarevenue.com/taxes/certificates
• Phone: 877-357-3725
• Mobile app: Available for iPhone, iPad, Android devices, and Windows phones.

Proper Collection of Tax

Collecting the right amount of tax is important because mistakes will cost you money. Florida’s general state sales tax rate is 6%; however, there is an established “bracket system” for collecting sales tax on any part of each total taxable sale that is less than a whole dollar amount. Additionally, most counties also have a local option discretionary sales surtax. Bracket rates are available on the Department’s website at floridarevenue.com/forms.

[(State Sales and Use Tax Rate) + [Surtax Rate] = [Total Tax Rate]]

Calculate the total tax to be collected on the total amount of the sale. The total tax collected must be shown on each invoice. The sales tax and discretionary sales surtax may be shown as one total, or each tax can be shown separately. In many cases, the actual tax you collect is more than a straight percentage of the sales or use tax and surtax. You must use the bracket system to calculate the tax due when any part of each total sale is less than a whole dollar amount.

Example: A customer purchases a taxable item that sells for $60.67 (before tax) in a county with no discretionary sales surtax. To calculate the correct amount of Florida sales tax, the seller first multiplies $60 by 6% (state sales tax rate) to determine the sales tax on the whole dollar portion of the sale ($60 x 6% = $3.60). Using the bracket system, the seller then determines that the correct amount of sales tax on the amount less than a dollar ($.67) is $.05. Therefore, the total sales tax due on this transaction is $3.65 ($3.60 + $.05 cents).

Line-by-Line Instructions

Line A. Sales/Services/Electricity

Line A is used to report the total of all wholesale and retail sales transactions and certain untaxed purchases or uses as follows:
• Sales, leases, or licenses to use certain property or goods (tangible personal property).
• Sales and rentals, admissions, amusement machine receipts, and vending machine receipts (except food and beverage sales reported on Line E). The amount of taxable sales from amusement machines are also separately reported on Line 19.
• Sales of services including nonresidential interior pest control, nonresidential interior janitorial and cleaning services, residential and nonresidential burglar and other protection services, and detective services.
• Sales and untaxed purchases or uses of electricity taxed at the rate of 6.95% (2.6% imposed under Chapter 203, Florida Statutes (F.S.), and 4.35% imposed under Chapter 212, F.S.), plus surtax. You must also report this amount on Line 17.
• Sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment taxed at the rate of 6% sales tax, plus surtax. You must also report this amount on Line 18.

NOTE: Registered Florida motor vehicle dealers may use the method described in Tax Information for Motor Vehicle Dealers (Form GT-400400) to report tax on sales of motor vehicles to out-of-state residents.
Column 1. Gross Sales - Enter the total amount of gross sales. Do not include:
- tax collected;
- fuel sales reported on a Florida fuel tax return; or
- lottery ticket sales.

Column 2. Exempt Sales - Enter the total amount of tax-exempt sales included in Line A, Column 1. Enter “0” if none. Some examples of tax-exempt sales are sales for resale, sales of items specifically exempt, and sales to organizations that hold a Florida Consumer’s Certificate of Exemption.

Column 3. Taxable Amount - Subtract total exempt sales from gross sales and enter the taxable amount. You must also report the total amount of sales that are subject to sales tax but are exempt from discretionary sales surtax, on Line 15(a) or Line 15(b). You must report on Line 15(c), the total amount of sales for which you collected discretionary sales surtax at a rate different than the rate of the county in which you are located.

In addition to reporting the Taxable Amount on the front of your return, remember to complete the back of the return for the following:
- Taxable sales and untaxed purchases or uses of electricity on Line 17.
- Taxable sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment on Line 18.
- Taxable sales from amusement machines on Line 19.

Column 4. Tax Due - Enter the total amount of tax due, including discretionary sales surtax due. You must also report the total amount of discretionary sales surtax due on Line 15(d).

Amusement and Vending Machine Sales
You must be registered in each county where you operate vending or amusement machines. For each county in which you operate machines, you must report the gross sales and the tax due from amusement machines and from vending machines dispensing items other than food and beverages. Use the gross receipts from each type of machine that you operate and the tax rate divisor for the county where the machine is located to compute the amount of gross sales and tax due.

Total machine receipts + Tax Rate Divisor = Gross Sales.
Total machine receipts - Gross Sales = Tax Due, including discretionary sales surtax.

Gross Sales x Surtax Rate = Discretionary Sales Surtax due.

- If you operate vending machines containing food or beverage items, complete Line E.
- If you operate amusement machines, include receipts in Line A and also complete Line 19.

<table>
<thead>
<tr>
<th>Sales/Surtax Rate</th>
<th>Amusement Divisor</th>
<th>Other Vended Items Divisor</th>
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<td>6.0%</td>
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<td>1.0749</td>
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<td>7.5%</td>
<td>1.055</td>
<td>1.0791</td>
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<tr>
<td>8.0%</td>
<td>1.060</td>
<td>1.0833</td>
</tr>
</tbody>
</table>

Example: The total receipts from an amusement machine(s) in a county with a combined sales and surtax rate of 6.5% total $100.00. Total receipts divided by the amusement machine divisor for the 6.5% rate equals gross sales. Total receipts minus gross sales equals tax due, including discretionary sales surtax due. Gross sales multiplied by the surtax rate equals discretionary sales surtax due.

$100 ÷ 1.045 = $95.69 (gross sales)
$100 - $95.69 = $4.31 (tax due, including surtax due)
$95.69 x .005 = $.48 [surtax portion to be reported on Line 15(d)]

Line B. Taxable Purchases - Use Tax
You owe “use tax” on taxable purchases of goods or services you have used or consumed that were:

- Internet and out-of-state purchases not taxed by the seller and NOT purchased for resale.
- Out-of-state or local purchases not taxed by a supplier and NOT purchased for resale whether ordered online, from a catalog, or by telephone.
- Taxable items, originally purchased untaxed for resale, which you, your business, or employees used or consumed.

Include use tax and discretionary sales surtax on the return for the reporting period during which you purchased, used, or consumed the item(s).

Column 1. Gross Sales - Not Applicable
Column 2. Exempt Sales - Not Applicable
Column 3. Taxable Amount - Enter the total amount of purchases used or consumed that were not taxed by suppliers and were not for resale. If you report purchases exempt from discretionary sales surtax, also complete Line 15(a) or Line 15(b).

Column 4. Tax Due - Enter the total amount of use tax due, including discretionary sales surtax due.

- You must also report all discretionary sales surtax due on Line 15(d).
- If you paid sales tax to another state at a rate less than 6%, enter the total amount of Florida use tax, plus any applicable discretionary sales surtax on Line B, Column 4, and claim a credit for the tax paid to the other state on Line 6. When claiming a credit for sales tax paid to another state, make sure it is legally imposed. When in doubt, contact the tax agency in the state where the tax was paid.

Line C. Commercial Rentals (5.7% Plus County Surtax Rate)
Commercial rentals include the renting, leasing, letting, or granting a license to use or occupy real property. Sales tax at the rate of 5.7%, plus discretionary sales surtax, is due on the total consideration charged for commercial property. The consideration charged may include charges for property taxes (whether paid to the landlord or directly to the county tax collector’s office), or common area maintenance. Rentals, leases, and licenses to use or occupy real property by related persons are also considered commercial rentals (e.g., a corporate owner leases property to his or her corporation). The $5,000 limitation for discretionary sales surtax does not apply to commercial rentals.
Column 1. Gross Sales - Enter the total amount of consideration for commercial rentals. Do not include tax collected in the amount reported.

Column 2. Exempt Sales - Enter the total amount of consideration for tax-exempt commercial rentals included in Line C, Column 1. Enter “0” if none. See section 212.031, F.S., and Rule 12A-1.070, Florida Administrative Code (F.A.C.), for exemptions specifically available to commercial rentals.

Column 3. Taxable Amount - Subtract the amount reported in Column 2 from the amount reported in Column 1 and enter the difference (the taxable amount).

Column 4. Tax Due - Enter the total amount of tax due, including discretionary sales surtax due. You must also report all discretionary sales surtax due on Line 15(d).

Line C(a). Less Sales Tax Scholarship Credits
E-file/E-pay Only

Report the amount of any state tax credit authorized by the Florida Sales Tax Credit Scholarship Program and taken by your tenant(s) against the total sales tax and surtax due on commercial rentals. The amount of sales tax credit reported may not exceed the state sales tax due and reported in the amount on Line C, Column 4 (Commercial Rentals Tax Due). This credit is not available for any discretionary sales surtax due on commercial rentals. For more information on the Florida Sales Tax Credit Scholarship Program, visit floridarevenue.com/taxes/sfo.

Line D. Transient Rentals

Transient rentals are leases or rentals of living, sleeping, or housekeeping accommodations, such as hotels, motels, single-family dwellings, multi-unit dwellings, apartments, rooming houses, condominiums, timeshare resorts, vacation houses, beach houses, mobile homes, or any other living, sleeping, or housekeeping accommodations. Transient rental taxes must be collected and paid on all rental charges, including any rental charges that are required to be paid by the guest as a condition of the use of the accommodation, unless the rental charge is specifically exempt. See Rule 12A-1.061, F.A.C., for more information on what constitutes a “rental charge” and which rental charges are specifically exempt.

Some counties impose one or more local option taxes on transient rentals. Many counties self-administer these local option taxes. Contact your county taxing agency to determine whether your county imposes one of these taxes and if you are required to report and pay the taxes directly to your county taxing agency or to the Department of Revenue.

Form DR-15TD, available on the Department’s website, provides a listing of county local option transient rental rates and whether the local option tax is collected by the county or by the Department of Revenue.

Column 1. Gross Sales - Enter the total gross amounts (rental charges) charged for transient rentals only. Do not include tax collected in gross sales.

Column 2. Exempt Sales - Enter the total amount of tax-exempt transient rentals included in Line D, Column 1. Enter “0” if none.

Column 3. Taxable Amount - Subtract total exempt transient rentals (Column 2) from total gross transient rentals (Column 1) and enter the difference (the taxable amount).

Column 4. Tax Due - Enter the total amount of tax due, including any discretionary sales surtax due and any local option tax (for example, tourist development tax) administered by the Department of Revenue. You must also report all discretionary sales surtax due on Line 15(d). The $5,000 limitation for discretionary sales surtax does not apply to transient rentals.

Line E. Food & Beverage Vending

If you operate food and beverage vending machines, compute your gross sales by dividing the total receipts from the machine(s) by the appropriate food and beverage divisor for the county where the machine(s) is located.

Column 1. Gross Sales - Enter the total amount of gross sales computed from food and beverage vending machines receipts. Do not include tax collected in gross sales.

Column 2. Exempt Sales - Enter the total amount of tax-exempt sales included in Line E, Column 1. Enter “0” if none.

Column 3. Taxable Amount - Subtract total exempt sales from total gross sales and enter the taxable amount.

Column 4. Tax Due - Enter the total amount of tax due, including discretionary sales surtax due. You must also report all discretionary sales surtax due on Line 15(d).

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<th>Food and Beverage Divisor</th>
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<tr>
<td>6.5%</td>
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<tr>
<td>8.0%</td>
<td>1.0808</td>
</tr>
</tbody>
</table>

Example: The total receipts from a soft drink machine in a county with a combined sales and surtax rate of 6.5% total $100. Total receipts divided by the food and beverage divisor for the 6.5% rate equals gross sales. Total receipts minus gross sales equals tax due, including discretionary sales surtax due. Gross sales multiplied by the surtax rate equals discretionary sales surtax due.

$100 ÷ 1.0686 = $93.58 (gross sales)

$100 - $93.58 = $6.42 (tax due, including surtax due)

$93.58 x .005 = $.47 [surtax portion to be reported on Line 15(d)]

Line 5. Total Amount of Tax Due

Add the amounts in Column 4, Lines A, B, C, D, and E. Subtract the amount on Line C(a), Column 4, from the total and enter the result on Line 5.

Line 6. Less Lawful Deductions

Enter the total amount of all allowable tax deductions, except sales tax credit memos issued by the Department (reported on Line 8). Lawful deductions include tax refunded by you to your customers for returned goods or allowances for damaged merchandise, tax paid by you on purchases of goods intended for use or consumption but sold by you instead, Hope Scholarship Credits, and any other deductions allowed by law.
• If you are claiming any approved Hope Scholarship Credits, report the amount of the credits on Line 6 and on Line 16.
• Do not include documentation with your return.

You will not receive a credit if the amount of lawful deductions (Line 6) is greater than the total amount of tax due (Line 5) on your return. If the amount of your lawful deductions is more than the total amount of tax due, reduce the amount of lawful deductions claimed to equal the total amount of tax due. You may report the remaining amount of lawful deductions (not to exceed the total amount of tax due) on your next return.

### Line 7. Net Tax Due

Subtract Line 6 from Line 5 and enter the amount on Line 7.

#### Lines 8 - 9. Estimated Tax

If you paid $200,000 or more in state sales and use tax on returns you filed during the most recent state fiscal year (July 1 through June 30), you must make an estimated sales tax payment every month, starting with the December return, due January 1. Before you file your FINAL return or if you have questions about estimated tax, call Taxpayer Services.

**Line 8. Less Estimated Tax Paid/Department of Revenue (DOR) Credit Memo**

Enter the total amount of estimated tax you paid last month, the amount of any sales tax credit memo(s) issued by the Department, and the amount of any specifically authorized tax credits for which you have received a letter of approval from the Department. Follow the instructions sent to you by the Department.

You will not receive a credit if the amount of credit (Line 8) is greater than the net amount of tax due (Line 7). If the amount of your credit is greater than the net amount of tax due, reduce the amount of credits claimed to equal the net amount of tax due. You may report the remaining amount of credit (not to exceed the net amount of tax due) on your next return. When you file your FINAL return, complete an *Application for Refund – Sales and Use Tax* (Form DR-26S) to obtain a refund of the credit balance.

**Line 9. Plus Estimated Tax Due Current Month**

Enter the total amount of estimated tax due, if applicable, using one of the following three computation methods. You are *NOT* required to use only one method and may choose to use any one of these methods throughout the year.

#### Three Methods for Computing Estimated Tax

The percentage for calculating estimated tax is 60%. Your estimated tax liability is based only on Florida sales and use tax due (Form DR-15, Line 7, Net Tax Due minus any local option discretionary sales surtax and any local option transient rental tax). If you incorrectly calculate or forget to enter your estimated tax, you cannot amend your return. Compute your estimated tax liability by one of the following methods:

**Method 1 – Average Tax Liability**

Calculate 60% of your average state sales tax due for the months you reported taxable transactions during the calendar year.

**Example:** When completing your December return (due January 1 of the following year), calculate your average state sales tax due during the calendar year. To calculate your average state sales tax due, complete the following steps:

1. Review all of your sales tax returns filed for the calendar year.

2. Add together the amounts on Line 7 from each return. Subtract any local option discretionary sales surtax and any local option transient rental tax included in Line 7.

3. To calculate the monthly average state sales tax due, divide the total calculated in Step 2 by the number of returns that were filed with tax due on Line 7.

4. Multiply your monthly average state sales tax due by 60%.

5. Enter the result from Step 4 on Line 9 of each return for the following year, beginning with your December return due January 1.

The amount calculated in Step 4 can be used on each of your returns for the following year through the November reporting period.

**Method 2 – Current Month/Previous Year**

Calculate 60% of your state sales tax due for the same month of the previous calendar year.

**Example:** When completing your December return, multiply the amount on Line 7 of your January return for the same calendar year (minus any local option discretionary sales surtax and any local option transient rental tax) by 60%. Enter that amount on Line 9.

**Method 3 – Current Month**

Calculate 60% of the state sales tax due for the next month’s return.

**Example:** When completing your December return, your estimated tax due is 60% of what you will report (minus any local option discretionary sales surtax and any local option transient rental tax) on your January return. Enter that amount on Line 9.

**Penalty for Underpayment of Estimated Tax** – If you fail to report and pay the minimum amount of estimated tax due each reporting period, you are subject to a loss of collection allowance and a 10% penalty on any underpayment of estimated tax due, and must pay interest on the amount underpaid.

#### Line 10. Amount Due

Subtract the amount on Line 8 from Line 7. Add the amount on Line 9. Enter the result on Line 10. The amount entered on Line 10 cannot be negative.

#### Line 11. Less Collection Allowance

**E-file/E-pay Only**

When you file and pay electronically and on time, you are entitled to deduct a collection allowance of 2.5% (.025) of the first $1,200 of the Amount Due (Line 10), not to exceed $30.

You are *not* entitled to a collection allowance if you file your return or make your payment by a method other than electronic means. More information on filing and paying electronically is available at floriadisbursement.com/taxes/education.

If you are entitled to a collection allowance, you may choose to donate the allowance to the Educational Enhancement Trust Fund. This fund is used to purchase...
up-to-date technology for classrooms in local school districts in Florida. If you are eligible and choose to donate your collection allowance to education, check the “donate to education” box and leave Line 11 blank. The Department will calculate the collection allowance and transfer that amount to the Educational Enhancement Trust Fund. You must make this choice on each original and timely filed electronic return. You cannot make this choice after your electronic return is filed.

**Line 12. Plus Penalty**

For late returns and payments, the penalty is either:
- A minimum of $50 if 10% of Line 10 is less than $50, or
- 10% of the amount due on Line 10.

If your return or payment is late, the minimum penalty is $50 even if you file a late return with no tax due.

**Line 13. Plus Interest**

If your payment is late, you owe interest on the Amount Due (Line 10). Florida law provides a floating rate of interest for late payments of taxes and fees due, including discretionary sales surtax. Interest rates, including daily rates, are published in Tax Information Publications that are updated semiannually on January 1 and July 1 each year and available at [floridarevenue.com/taxes/rates](floridarevenue.com/taxes/rates).

**Line 14. Amount Due with Return**

You may receive a collection allowance when you file and pay electronically and on time. Subtract Line 11 from Line 10 and enter the amount due on Line 14. If you choose to donate your collection allowance to education, check the “donate to education” box and leave Line 11 blank.

All dealers: If your return or payment is late, add Lines 12 and 13 to Line 10 and enter the amount due on Line 14. Line 14 is the amount you owe.

**Lines 15(a) - 15(d). Discretionary Sales Surtax**

If you sell, rent, deliver, or receive taxable merchandise or services in or at a location within a county imposing a discretionary sales surtax, you are required to collect surtax at the rate imposed in the county where the merchandise or service is delivered. The discretionary sales surtax also applies to the rental of real property and transient rentals and is collected at the county where the property is located.

Most counties impose a local option discretionary sales surtax that must be collected on taxable transactions. You must collect discretionary sales surtax along with the 6% state sales tax and send both taxes to the Department. Current discretionary sales surtax rates for all counties are listed on Form DR-15DSS, *Discretionary Sales Surtax Information*, available on the Department’s website.

If your business location is in Florida, the discretionary sales surtax rate printed on your tax returns is the rate in effect for the county where your business is located. If your business is located outside of Florida, no discretionary sales surtax rate is printed on your returns. However, all dealers must collect discretionary sales surtax on taxable sales when the transaction occurs in, or delivery is into, a county that imposes a surtax. Use the chart below to help you determine when and at what rate to collect discretionary sales surtax.

For motor vehicle and mobile home sales, use the surtax rate of the county identified as the residence address of the purchaser on the registration or title document for the motor vehicle or mobile home. The surtax applies to the first $5,000 of the sales amount on any item of tangible personal property. **The $5,000 limitation does not apply to rentals of real property, transient rentals, or services.**

Include discretionary sales surtax with tax reported on Lines A through E in Column 4 of your DR-15 return. Do not send discretionary sales surtax collections to the county tax collector’s office.

Use the Department’s Address/Jurisdiction database to determine which county an address is located in. Visit [floridarevenue.com/taxes/pointmatch](floridarevenue.com/taxes/pointmatch).

**Line 15(a). Exempt Amount of Items Over $5,000**

Enter the amount in excess of $5,000 on each single sale of taxable tangible personal property (reported on Line A) and the amount in excess of $5,000 for each single purchase for which sales tax and discretionary sales surtax is due (reported on Line B). **Example:** If you sold a single item for $7,000, include $2,000 (the amount over $5,000) on Line 15(a). Do NOT include exempt sales reported in Column 2.

**Line 15(b). Other Taxable Amounts NOT Subject to Surtax**

Enter the amount of taxable sales or purchases included in Line A, Column 3, that are not subject to discretionary sales surtax. This includes services and tangible personal property delivered into a non-surtax county subject to sales tax, but not subject to discretionary sales surtax. Do NOT include exempt sales reported in Line A, Column 2.

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**When and at What Rate to Collect Discretionary Sales Surtax (Local Option County Tax) on Taxable Sales**

<table>
<thead>
<tr>
<th></th>
<th>with a discretionary surtax</th>
<th>with or without a discretionary surtax</th>
<th>into the county where the selling dealer is located</th>
<th>into counties with different discretionary surtax rates</th>
<th>into counties without a discretionary surtax</th>
<th>into a Florida county with a discretionary surtax</th>
<th>into a Florida county without a discretionary surtax</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a selling dealer located in any Florida county</td>
<td>sells and delivers</td>
<td></td>
<td>surtax is collected at the county rate where the delivery is made</td>
<td>surtax is collected at the county rate where the delivery is made</td>
<td>surtax is not collected</td>
<td>surtax is collected at the county rate where the delivery is made</td>
<td>surtax is not collected</td>
</tr>
<tr>
<td>If an out-of-state selling dealer</td>
<td>sells and delivers</td>
<td></td>
<td>surtax is collected at the county rate where the delivery is made</td>
<td>surtax is not collected</td>
<td>surtax is not collected</td>
<td>surtax is not collected</td>
<td>surtax is not collected</td>
</tr>
</tbody>
</table>

---

Note: The charts provided are simplified representations of the information available in the document. For more detailed information, please refer to the original text or visit the Department’s website.
Line 15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate

On Line 15(c) you must report the total amount of taxable sales and purchases for which discretionary sales surtax is due at a rate different than the rate of the county in which you are located. Enter the taxable amounts from Line A, Column 3, and Line B, Column 3, for which discretionary sales surtax is due at a rate different than the county in which you are located.

Example: A business located in a county with a 1% discretionary sales surtax rate sells a single taxable item for $3,000 and delivers the merchandise into a county with a 1.5% discretionary sales surtax rate. The discretionary sales surtax is to be collected at 1.5%. The business will report the $3,000 on Line 15(c), since this is the taxable amount that was subject to a different county discretionary sales surtax rate. The business will report the surtax collected at 1.5% on Line 15(d).

Line 15(d). Total Amount of Discretionary Sales Surtax Due

Enter the total amount of discretionary sales surtax due on Line 15(d). Do not include state sales tax in this amount.

Line 16. Hope Scholarship Credits

Enter the total Hope Scholarship Credits on Line 16 and include the total amount of credits in the amount entered on Line 6. For more information on the Hope Scholarship Program, visit floridarevenue.com/taxes/sfo.

Line 17. Taxable Sales/Untaxed Purchases or Uses of Electricity (6.95% Plus County Surtax Rate)

Enter the taxable amount of sales and untaxed purchases or uses of electricity subject to the 6.95% tax rate (2.6% imposed under Chapter 203, F.S., and 4.35% imposed under Chapter 212, F.S.), plus surtax. The sale or use of electricity is subject to discretionary sales surtax at the rate imposed by the county where the consumer of the electricity is located.

Line 18. Taxable Sales/Untaxed Purchases of Dyed Diesel Fuel

Enter the total amount of taxable sales and untaxed purchases of dyed diesel fuel used in vessels or off-road equipment. If the sale or purchase of dyed diesel fuel occurred in a county that imposes discretionary sales surtax, sales tax plus the applicable discretionary sales surtax is due.

Line 19. Taxable Sales from Amusement Machines

Enter the amount of taxable sales from amusement machines.

Line 20. Rural or Urban High Crime Area Job Tax Credits

Enter the amount of rural or urban high crime area job tax credits for which you have received a letter of approval from the Department on Line 20 and on Line 8. Follow the instructions sent to you from the Department.

Line 21. Other Authorized Credits

Enter only credits specifically authorized by the Department. Follow the instructions sent to you from the Department.

Signature(s)

Sign and date your return. For corporations, an authorized corporate officer must sign. If someone else prepared the return, the preparer must also sign and date the return. Please provide the telephone number of each person signing the return.

Contact Us

Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

If you have questions, need assistance, or need to replace a lost or damaged return or coupon book, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

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

To find a taxpayer service center near you, visit floridarevenue.com/taxes/servicecenters.

Subscribe to Receive Updates by Email from the Department. Subscribe to receive an email for due date reminders, Tax Information Publications, or proposed rules. Subscribe today at floridarevenue.com/dor/subscribe.

Educational Tax Webinars

The Department of Revenue is proud to partner with SCORE to provide Florida businesses with resources needed to be successful. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. Visit the Department’s Taxpayer Education web page for additional information and available webinars at floridarevenue.com/taxes/education.

References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at floridarevenue.com/forms.

| Form DR-15 | Sales and Use Tax Return |
| Rule 12A-1.097, F.A.C. |

| Form DR-26S | Application for Refund – Sales and Use Tax |
| Rule 12-26.008, F.A.C. |
You may file and pay tax online or you may complete this return and pay tax by check or money order and mail to:

Florida Department of Revenue
5050 W Tennessee Street
Tallahassee, FL 32399-0120

Please read the Instructions for DR-15EZ Sales and Use Tax Returns (Form DR-15EZ), incorporated by reference in Rule 12A-1.097, F.A.C., before you complete this return. Instructions are posted at floridarevenue.com/forms.

Location/Mailing Address Changes:
New Location Address: ______________________________________
Telephone Number: (               )
New Mailing Address: ______________________________________

Due: Late After:

Amount Due From Line 9 On Reverse Side

Florida Sales and Use Tax Return

Certificate Number:
Surtax Rate:

Name
Address
City/St
ZIP

FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE ST
TALLAHASSEE FL 32399-0120

Due: Late After:

Florida Sales and Use Tax Return

Certificate Number:
Surtax Rate:

Name
Address
City/St
ZIP

FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE ST
TALLAHASSEE FL 32399-0120

Due: Late After:

Florida Sales and Use Tax Return

Certificate Number:
Surtax Rate:

Name
Address
City/St
ZIP

FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE ST
TALLAHASSEE FL 32399-0120

Due: Late After:
File and Pay Online to Receive a Collection Allowance. When you electronically file your tax return and pay timely, you are entitled to deduct a collection allowance of 2.5% (0.025) of the first $1,200 of tax due, not to exceed $30. To pay timely, you must initiate payments no later than 5:00 p.m., ET, on the business day prior to the 20th. More information on filing and paying electronically, including a Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659), is available at floridarevenue.com.

Due Dates. Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. A return must be filed for each reporting period, even if no tax is due. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, returns are timely if postmarked or hand delivered on the first business day following the 20th.

Penalty. If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, but not less than $50, may be charged. The $50 minimum penalty applies even if no tax is due. A floating rate of interest also applies to late payments and underpayments of tax.

<table>
<thead>
<tr>
<th>1. Gross Sales (Do not include tax)</th>
<th>DOLLARS</th>
<th>CENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Exempt Sales (Include these in Gross Sales, Line 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Taxable Sales/Purchases (Include Internet/Out-of-State Purchases)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Total Tax Due (Include Discretionary Sales Surtax from Line B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Less Lawful Deductions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Less DOR Credit Memo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Net Tax Due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Less Collection Allowance or Plus Penalty and Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Amount Due With Return (Enter this amount on front)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer Date Telephone #

Signature of Preparer Date Telephone #

Discretionary Sales Surtax Information
A. Taxable Sales and Purchases NOT Subject to DISCRETIONARY SALES SURTAX
B. Total Discretionary Sales Surtax Due

E-file / E-pay to Receive Collection Allowance

Please do not fold or staple.
Instructions for DR-15EZ Sales and Use Tax Returns

Are you Eligible to Use a DR-15EZ Return?

Businesses that:

► Pay $200,000 or more in sales and use tax during the previous state fiscal year (July 1 - June 30);
► Sell or deliver taxable items into any county with a different discretionary sales surtax rate than the county’s surtax rate where your business is located;
► Lease or rent living or sleeping accommodations (transient rentals);
► Lease or rent commercial property and sell taxable items or provide taxable services at the same location. (If you only report tax on the lease or rental of commercial property, you are eligible to use a DR-15EZ);
► Sell:
  • aircraft,
  • boats or boat trailers, or
  • motor vehicles or other vehicles;
► Report tax on receipts from coin-operated:
  • amusement machines, or
  • vending machines;
► Sell or purchase untaxed dyed diesel fuel for use in off-road equipment or boats; or
► Claim any jobs, economic incentive, or scholarship-funding tax credit

are NOT eligible to use a DR-15-EZ return and must use a DR-15 return.

If you have received a DR-15EZ (paper or electronic) and must use a DR-15 to report sales and use tax, call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays), to update your account information and request a DR-15 return.

Collection Allowance

File and pay electronically and on time to receive a collection allowance.

Verify a Resale or Exemption Certificate:

Online: Visit floridarevenue.com/taxes/certificates
Phone: 877-357-3725
Mobile app: Available for iPhone, iPad, Android devices, and Windows phones.

Educational Tax Webinars

The Department of Revenue is proud to partner with SCORE to provide Florida businesses with resources needed to be successful. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. Visit the Department’s Taxpayer Education web page for additional information and available webinars at floridarevenue.com/taxes/education.

Subscribe to Receive Email Alerts from the Department!

Did you know you can subscribe to the Department’s tax publications and receive email alerts when certain items are posted on the website? Subscriptions are available for due date reminders, Tax Information Publications, and proposed rules.

Subscribe today at floridarevenue.com/dor/subscribe
Due Dates, Electronic Filing and Payment, and Other Filing Information

Due Dates: Tax returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, your tax return must be received electronically, postmarked, or hand delivered on the first business day following the 20th.

Due Dates for Electronic Payments: To avoid penalty and interest, you must initiate your electronic payment and receive a confirmation number no later than 5:00 p.m., ET, on the business day prior to the 20th. Keep the confirmation number in your records. For a list of deadlines for initiating electronic payments on time, visit floridarevenue.com/forms, select the e-Services section, and then select the current year Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659).

Due Date Reminders: If you file your paper returns monthly or quarterly, you can sign up to receive an email every reporting period, reminding you of the due date. Visit floridarevenue.com/dor/subscribe. Electronic filers will receive due date reminders without using the subscription service.

No Tax Due? Telefile at 800-550-6713 - You must file a tax return for each reporting period, even if no tax is due. You can telefile using the toll-free number to conveniently file your returns when no tax is due and

File and pay electronically and on time to receive a collection allowance.

Be sure to use the correct tax return for each reporting period.
you are not claiming deductions or credits. When you
telefile your return instead of mailing it, you will receive
a confirmation number for your records. If you telefile,
remember:
• to have your certificate number handy - it's printed on
your returns; and
• do not mail your return to the Department - keep it with
your confirmation number.

Electronic Filing and Payment: You can file returns and
pay sales and use tax using the Department's website
or you may purchase software from a software vendor.
You may voluntarily file returns and pay tax electronically;
however, taxpayers who paid $20,000 or more in sales
and use tax during the most recent state fiscal year
(July 1 through June 30) are required to file returns
and pay tax electronically during the next calendar year
(January through December).

Enroll to file and pay electronically: Visit
floridarevenue.com/forms. After you complete
your electronic enrollment, additional information about
electronic filing will be sent to you.

Vendor software: You may purchase software from
a software vendor to file and pay sales and use tax
electronically. While you may use purchased software to
file your sales and use tax electronically, you may not use
software to create paper (alternative or substitute) returns
to file with the Department. If you use vendor software
to prepare a “tax calculation worksheet,” do not file the
worksheet with the Department as a tax return. To ensure
proper credit to your account, be sure to transfer information
from the worksheet to your personalized return.

Amended replacement returns: If you discover that
your original return was incorrect, you must complete an
amended return and submit it electronically or by mail.
Your amended return will replace any return you
previously filed for the same reporting period. It is
important that you complete the amended return as it
should have been originally filed rather than entering only
additional or corrected information.

The quickest way to file an amended return is online.
Visit floridarevenue.com to submit your amended return
electronically and pay any additional tax due or report an
overpayment.

If you choose to file an amended return by mail, you
will need a blank return from the Department. To download
a blank return, visit floridarevenue.com/forms, select
the Sales and Use Tax section, and then select the return
that you need. Write your certificate number, reporting
period, business name, and address on the return.

Your amended return may result in an overpayment or
an additional amount due. If you overpaid the amount
due with your original return or you owe an additional
amount, the amount reported on Line 9 of the amended
return will not match any overpayment or any additional
amount due. You must pay any additional amount due with
the amended return. If you have overpaid, a credit for the
amount overpaid will be issued.

Checks or Money Orders (NO Cash): Tax payments
must be in U.S. funds only. Make checks or money orders
payable to the Florida Department of Revenue. Write your
certificate number on your check or money order. Mail
your check or money order with your return.

Keep records that support all transactions for at least
three years from the date you file your return or the date it
is required to be filed, whichever is later.

Mailing Your Returns and Payments: If you received
window-style envelopes from the Department, be sure
to place your return in the envelope so the Department’s
mailing address can be seen in the window of the
envelope. If you use a return without your business
information printed on it, write your business name,
address, certificate number, and reporting period in the
spaces provided. If you do not have a window-style
return envelope, mail your return and payment to:

Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0120

If you need to replace lost or damaged returns or
coupon books, call Taxpayer Services at 850-488-6800,
Monday through Friday, excluding holidays.

Account Changes

If you change your business name, mailing address,
location address within the same county, or close or
sell your business, immediately notify the Department.
You can also notify the Department when you temporarily
suspend or resume your business operations. The
quickest way to notify the Department is by visiting
floridarevenue.com/taxes/updateaccount. To notify us in
writing, mail a letter to:

Account Management – MS 1-5730
Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0160

Be sure to include your business partner number and
your certificate number in any written correspondence
sent to the Department.

If you cancel your account or sell your business, you
must file a final return and pay all applicable taxes due
within 15 days after closing or selling the business. Your
final return must cover the period from your most recent
return filing to the closing date.

Submit a new registration (online or paper) if you:
• move your business location from one Florida county to
another;
Florida Annual Resale Certificate

Registered sales and use tax dealers are provided a Florida Annual Resale Certificate to make tax-exempt purchases or rentals of property or services for resale. You may provide a paper or electronic copy of your current Florida Annual Resale Certificate or the certificate number to any seller when making purchases or rentals of property or services that you intend to resell or re-rent as part of your business. If you purchase or rent property or services that will be used in your business, your Florida Annual Resale Certificate should not be used.

As a dealer, you have an obligation to collect the applicable amount of sales and use tax and discretionary sales surtax when you resell or re-rent the property or service at retail. If you need help determining what you may buy or rent tax exempt for resale, the Florida Annual Resale Certificate for Sales Tax brochure (Form GT-800060) is available on the Department's website.

Sellers who make tax-exempt sales or rentals for purposes of resale or re-rental must document the exemption using any one of these methods:

- Obtain a paper or electronic copy of your customer’s current Florida Annual Resale Certificate.
- For each tax-exempt sale, use your customer’s Florida sales tax certificate number to obtain a transaction authorization number.
- For each tax-exempt customer, use your customer’s Florida sales tax certificate number to obtain a vendor authorization number.

Sellers may verify a Florida Annual Resale Certificate number and obtain an authorization number:

- Online: Visit floridarevenue.com/taxes/certificates
- Phone: 877-357-3725
- Mobile app: Available for iPhone, iPad, Android devices, and Windows phones.

Proper Collection of Tax

Collecting the right amount of tax is important because mistakes will cost you money. Florida’s general state sales tax rate is 6%; however, there is an established “bracket system” for collecting sales tax on any part of each total taxable sale that is less than a whole dollar amount. Additionally, most counties also have a local option discretionary sales surtax. Bracket rates are available on the Department’s website at floridarevenue.com/forms.

\[
[\text{State Sales and Use Tax Rate}] + [\text{Surtax Rate}] = [\text{Total Tax Rate}]
\]

Calculate the total tax to be collected on the total amount of the sale. The total tax collected must be shown on each invoice. The sales tax and discretionary sales surtax may be shown as one total, or each tax can be shown separately. In many cases, the actual tax you collect is more than a straight percentage of the sales or use tax and surtax. You must use the bracket system to calculate the tax due when any part of each total sale is less than a whole dollar amount.

Example: A customer purchases a taxable item that sells for $60.67 (before tax) in a county with no discretionary sales surtax. To calculate the correct amount of Florida sales tax, the seller first multiplies $60 by 6% (state sales tax rate) to determine the sales tax on the whole dollar portion of the sale ($60 x 6% = $3.60). Using the bracket system, the seller then determines that the correct amount of sales tax on the amount less than a dollar ($0.67) is $0.05. Therefore, the total sales tax due on this transaction is $3.65 ($3.60 + $0.05 cents).

Line-by-Line Instructions

Note: You will complete lines 1 through 4 to report tax on commercial rentals or tax on sales and purchases. After completing lines 1 through 4, proceed to the instructions for Line 5. Less Lawful Deductions and complete the return.

Lines 1 through 4 Instructions to Only Report Tax on Commercial Rentals

(5.7% Plus County Surtax Rate)

If you only report tax collected for the lease or rental of commercial property (you have no other sales or untaxed purchases to report), you may use Form DR-15EZ to report sales and use tax due. If you have other taxable sales or untaxed purchases, you must use Form DR-15, Sales and Use Tax Return, to report sales and use tax. Contact Taxpayer Services to update your account information.

Commercial rentals include the renting, leasing, letting, or granting a license to use or occupy real property. Sales tax at the rate of 5.7%, plus discretionary sales surtax, is due on the total consideration charged for commercial property. The consideration charged may include charges for property taxes (whether paid to the landlord or directly to the county tax collector’s office), or common area maintenance. Rentals, leases, and licenses to use or occupy real property by related persons are also considered commercial rentals (e.g., a corporate owner leases property to his or her corporation). The $5,000 limitation for discretionary sales surtax does not apply to commercial rentals.

Line 1. Gross Sales

Enter the total amount of consideration for commercial rentals. Do not include tax collected in the amount reported.

Line 2. Exempt Sales

Enter the total amount of consideration for tax-exempt commercial rentals included in Line 1. Enter “0” if none. See section 212.031, Florida Statutes (F.S.), and Rule 12A-1.070, Florida Administrative Code (F.A.C.), for exemptions specifically available to commercial rentals.

Line 3. Taxable Sales/Purchases

Subtract the amount reported in Line 2 from the amount reported in Line 1 and enter the difference (the taxable amount).
Line 4. Total Tax Due
Enter the total amount of tax due including discretionary sales surtax due. You must also report all discretionary sales surtax due on Line B.

Lines 1 through 4 Instructions to Report Tax on Sales and Purchases

Line 1. Gross Sales
Enter the total amount of gross sales. Do not include tax collected in gross sales.

Line 2. Exempt Sales
Enter the total amount of tax-exempt sales or rentals included in Line 1. Enter "0" if none. Tax-exempt sales are sales for resale, sales of items specifically exempt, and sales to organizations that hold a Florida Consumer's Certificate of Exemption.

Line 3. Taxable Sales/Purchases
To determine Taxable Sales/Purchases (Line 3), subtract Line 2 from Line 1 and then add any taxable purchases. Enter the result on Line 3. Any taxable sales and purchases not subject to discretionary sales surtax must also be reported on Line A.

You owe "use tax" on taxable purchases of goods or services you have used or consumed that were:

• Internet and out-of-state purchases not taxed by the seller and NOT purchased for resale.
• Out-of-state or local purchases not taxed by a supplier and NOT purchased for resale, whether ordered online, from a catalog, or by telephone.
• Taxable items, originally purchased untaxed for resale, which you, your business, or employees used or consumed.

Include use tax and discretionary sales surtax on the return for the reporting period during which you purchased, used, or consumed the item(s).

How to compute Line 3

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Minus exempt sales</td>
<td>-$100.00</td>
</tr>
<tr>
<td>Equals taxable sales</td>
<td>$900.00</td>
</tr>
<tr>
<td>Plus taxable purchases</td>
<td>+$50.00</td>
</tr>
<tr>
<td>Equals Line 3</td>
<td>$950.00</td>
</tr>
</tbody>
</table>

Line 4. Total Tax Due
Enter the total tax due including discretionary sales surtax due. Also, report the discretionary sales surtax due on Line B. Use tax must be included on Line 4 of the return for the reporting period during which the item is used or consumed.

Line 5. Less Lawful Deductions
Enter the total amount of all allowable tax deductions, except sales tax credit memos issued by the Department (reported on Line 6). Lawful deductions include tax refunded by you to your customers for returned goods or allowances for damaged merchandise, tax paid by you on purchases of goods intended for use or consumption but sold by you instead, and any other deductions allowed by law. Do not include documentation with your return.

Line 6. Less Department of Revenue Credit Memo
Enter the total amount of any sales tax credit memo(s) issued to you by the Department.

Line 7. Net Tax Due
Enter the result of Line 4 minus Lines 5 and 6. If negative, enter "0." Claim any remaining balance of lawful deductions on Line 5 of your next return or any remaining credit memo balance on Line 6 of your next return.

You will not receive a credit if the total amount of lawful deductions (Line 5) plus the amount of sales tax credit memos (Line 6) is greater than the total tax due (Line 4). If the total amount of lawful deductions plus credits is greater than the total tax due, reduce the amount of lawful deductions and credit memos claimed to equal the total tax due. You may report the remaining amount of lawful deductions and credits (not to exceed the net amount of tax due) on your next return. When you file your FINAL return, complete an Application for Refund - Sales and Use Tax (Form DR-26S) to obtain a refund of the credit balance.

Line 8. Less Collection Allowance or Plus Penalty and Interest

E-file/E-pay to Receive Collection Allowance
When you file and pay electronically and on time, you are entitled to deduct a collection allowance of 2.5% (.025) of the first $1,200 of the Amount Due (Line 7), not to exceed $30.

You are not entitled to a collection allowance if you file your return or make your payment by a method other than electronic means. More information on filing and paying electronically is available at floridarevenue.com.

If you are entitled to a collection allowance, you may choose to donate the allowance to the Educational Enhancement Trust Fund. This fund is used to purchase up-to-date technology for classrooms in local school districts in Florida. If you are eligible and choose to donate your collection allowance to education, check the "donate to education" box and leave Line 8 blank. The Department will calculate the collection allowance and transfer that amount to the Educational Enhancement Trust Fund. You must make this choice on each original and timely filed electronic return. You cannot make this choice after your electronic return is filed.

Penalty
For late returns and payments, the penalty is either:

• A minimum of $50 if 10% of Line 7 is less than $50, or
• 10% of the amount due on Line 7.

If your return or payment is late, the minimum penalty is $50 even if you file a late return with no tax due.
Interest
If your payment is late, you owe interest on the Net Tax Due (Line 7). Florida law provides a floating rate of interest for late payments of taxes and fees due, including discretionary sales surtax. Interest rates, including daily rates, are published in Tax Information Publications that are updated semiannually on January 1 and July 1 each year and available on the Department’s website at floridarevenue.com/taxes/rates.

Line 9. Amount Due With Return
If you file and pay electronically and on time and do not donate your collection allowance to education, enter the result of Line 7 minus collection allowance on Line 9. If you file late or pay late, enter the result of Line 7 plus penalty and interest on Line 9.

The amount due on Line 9 is the amount you owe. Enter the amount from Line 9 on the front of your return.

Discretionary Sales Surtax Information Lines A – B
If you sell, rent, deliver, or receive taxable merchandise or services in or at a location within a county imposing a discretionary sales surtax, you are required to collect surtax at the rate imposed in the county where the merchandise or service is delivered. The discretionary sales surtax also applies to the rental of real property and transient rentals and is collected at the county rate where the property is located.

NOTE: If you make sales or deliveries into any county with a different surtax rate, you cannot file a DR-15EZ return and must file Form DR-15 instead. Please contact the Department immediately by calling Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

Most counties impose a local option discretionary sales surtax that must be collected on taxable transactions. You must collect discretionary sales surtax along with the 6% state sales tax and send both taxes to the Department.

Current discretionary sales surtax rates for all counties are listed on Form DR-15DSS, Discretionary Sales Surtax Information, available on the Department’s website.

If your business location is in Florida, the discretionary sales surtax rate printed on your tax returns is the rate in effect for the county where your business is located. If your business is located outside of Florida, no discretionary sales surtax rate is printed on your returns. However, all dealers must collect discretionary sales surtax on taxable sales when the transaction occurs in, or delivery is into, a county that imposes a surtax. Use the chart below to help you determine when and at what rate to collect discretionary sales surtax.

The surtax applies to the first $5,000 of the sales amount on any item of tangible personal property. The $5,000 limitation does not apply to rentals of real property, transient rentals, or services.

Include discretionary sales surtax with tax reported on Lines 1 - 4 of your DR-15EZ return. Do not send discretionary sales surtax collections to the county tax collector’s office.

Use the Department’s Address/Jurisdiction database to determine which county an address is located in. Visit floridarevenue.com/taxes/pointmatch.

Line A. Taxable Sales and Purchases NOT Subject to DISCRETIONARY SALES SURTAX
On the back of your return, on Line A, enter the total of all sales and purchases not subject to discretionary sales surtax. This normally consists of sales of single items that exceed the $5,000 discretionary sales surtax limit. Do NOT include exempt sales reported on Line 2. Commercial rentals are not subject to the $5,000 discretionary sales surtax limit. The example for Line A illustrates a transaction where the $5,000 limit applies and what information should be reported on Line A.

When and at What Rate to Collect Discretionary Sales Surtax (Local Option County Tax) on Taxable Sales

<table>
<thead>
<tr>
<th>If a selling dealer located in any Florida county</th>
<th>with a discretionary surtax</th>
<th>sells and delivers into the county where the selling dealer is located</th>
<th>surtax is collected at the county rate where the delivery is made</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>with or without a discretionary surtax</td>
<td>sells and delivers into counties with different discretionary surtax rates</td>
<td>surtax is collected at the county rate where the delivery is made</td>
</tr>
<tr>
<td></td>
<td>with or without a discretionary surtax</td>
<td>sells and delivers into counties without a discretionary surtax</td>
<td>surtax is not collected</td>
</tr>
</tbody>
</table>

If an out-of-state selling dealer

<table>
<thead>
<tr>
<th>sells and delivers into a Florida county with a discretionary surtax</th>
<th>surtax is collected at the county rate where the delivery is made</th>
</tr>
</thead>
<tbody>
<tr>
<td>sells and delivers into a Florida county without a discretionary surtax</td>
<td>surtax is not collected</td>
</tr>
</tbody>
</table>

*NOTE: If you deliver into any county with a different discretionary sales surtax rate, you must use Form DR-15 to accurately report the discretionary sales surtax you collect.*
Example for Line A
A business located in a county with a discretionary sales surtax sells a single taxable item for $6,500. The business reports $6,500 on Line 3, Taxable Sales/Purchases. To calculate Line A (the amount not subject to discretionary sales surtax), the business subtracts $5,000 from $6,500.

$6,500 (Sales amount)
- $5,000 (Limit on a single item)
$1,500 (Amount exempt from discretionary sales surtax)

The business then writes the difference ($1,500) on Line A. The $1,500 is the amount that is not subject to discretionary sales surtax.

Line B. Total Discretionary Sales Surtax Due
On the back of your return, on Line B, enter the total amount of discretionary sales surtax due. All discretionary sales surtax collected must be included with the sales and use tax collected and reported on Line 4, Total Tax Due. The example for Line B illustrates how to compute the discretionary sales surtax on Line B.

Example for Line B
A business located in a county with a 1% surtax sells three taxable items over-the-counter for $1,000 each during the month. The discretionary sales surtax will be collected on each item as follows: $1,000 x 1% = $10.00 discretionary sales surtax collected on each item. To complete Line B, the business enters the total discretionary sales surtax due ($10 x 3 items sold = $30.00). The business would report $30.00 on Line B. This amount should also be included with the sales and use tax reported on Line 4.

Signature(s)
Sign and date your return. For corporations, an authorized corporate officer must sign. If someone else prepared the return, the preparer must also sign and date the return. Please provide the telephone number of each person signing the return.

Contact Us
Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

If you have questions, need assistance, or need to replace a lost or damaged return or coupon book, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

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

To find a taxpayer service center near you, visit floridarevenue.com/taxes/servicecenters.

Subscribe to Receive Updates by Email from the Department. Subscribe to receive an email for due date reminders, Tax Information Publications, or proposed rules. Subscribe today at floridarevenue.com/dor/subscribe.

Educational Tax Webinars
The Department of Revenue is proud to partner with SCORE to provide Florida businesses with resources needed to be successful. SCORE is a nonprofit association of volunteer business counselors supported by the U.S. Small Business Administration. Visit the Department’s Taxpayer Education web page for additional information and available webinars at floridarevenue.com/taxes/education.

References
The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at floridarevenue.com/forms.

<table>
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<th>Application for Refund –</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use Tax</td>
<td>Rule 12-26.008, F.A.C.</td>
</tr>
</tbody>
</table>
## Schedule of Tax Credits Claimed on Repossessed Tangible Personal Property

A tax credit or tax refund must be claimed within 12 months following the month in which the property is repossessed.

Under penalties of perjury, I declare that I have read this schedule and that the facts stated in it are true. I certify that I was the seller of the property sold to the above listed customers, that the stated Florida sales and use tax, plus any applicable discretionary sales surtax, was remitted to the Florida Department of Revenue, and that the property was repossessed within the last 12 months. I further certify that (check the appropriate box):

- I financed the property and my customer defaulted under the terms of the financing agreement; or
- The property was financed by a financing institution with recourse, and when my customer defaulted under the terms of the financing agreement I became liable for the outstanding debt.

<table>
<thead>
<tr>
<th>Customer’s Name</th>
<th>Description of Property</th>
<th>Date Tax and Surtax Paid</th>
<th>Amount of Tax and Surtax Paid</th>
<th>Amount of Purchase Price Less Trade-In</th>
<th>Number of Payments Due Under Financing Agreement</th>
<th>Rate Factor</th>
<th>Total Number of Payments Remaining</th>
<th>Amount of Tax Credit or Tax Refund</th>
<th>Date of Repossession</th>
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Under penalties of perjury, I declare that I have read this schedule and that the facts stated in it are true. I certify that I was the seller of the property sold to the above listed customers, that the stated Florida sales and use tax, plus any applicable discretionary sales surtax, was remitted to the Florida Department of Revenue, and that the property was repossessed within the last 12 months. I further certify that (check the appropriate box):

- I financed the property and my customer defaulted under the terms of the financing agreement; or
- The property was financed by a financing institution with recourse, and when my customer defaulted under the terms of the financing agreement I became liable for the outstanding debt.

<table>
<thead>
<tr>
<th>Business Partner Number</th>
<th>Sales Tax Certificate Number</th>
<th>Name of dealer</th>
<th>Title</th>
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Authorized signatureDate
Any business registered with the Florida Department of Revenue as a sales and use tax dealer may use Form DR-95B to calculate the amount of tax credit or tax refund due on the unpaid balance of a financing contract for repossessed tangible personal property when the business:

- sells tangible personal property under a retail installment, title loan, conditional sale, contract with a retention of title provision, or similar financing contract;
- retains a security interest in the property that was sold (through a financing agreement entered into directly with the purchaser or, when financed by a financing institution, the business becomes liable for the outstanding debt at the time of repossession);
- paid sales tax, plus applicable discretionary sales surtax, on the sales price of the property to the Florida Department of Revenue; and
- repossesses the financed property.

The amount of tax credit or tax refund due is based on the ratio that the total tax has in relation to the unpaid balance of the sales price, excluding finance or other nontaxable charges. **A tax credit or tax refund must be claimed within 12 months following the month in which the property is repossessed.**

The registered business that paid the tax and applicable surtax to the Department may claim a credit on a Sales and Use Tax Return (Form DR-15) or apply for a refund by submitting an Application for Refund – Sales and Use Tax (Form DR-26S) to the Florida Department of Revenue. When taking a credit on your return, the completed schedule must be maintained in your books and records. When applying for a refund, attach this completed schedule to Form DR-26S, along with the information and documentation required on Form DR-26S, and maintain a copy of the schedule and the refund application in your books and records.

**Column by Column Instructions**

**Column 1. Customer's Name**
Enter the name of each customer from whom financed tangible personal property was repossessed.

**Column 2. Description of Property**
Enter a description of each item of tangible personal titled property listed. For motor vehicles, boats, and aircraft, include the year, make, model number, and the VIN, serial, or hull number.

**Column 3. Date Tax and Surtax Paid**
Enter the date the sales and use tax, plus any applicable discretionary sales surtax, was paid to the Florida Department of Revenue on each item of property listed.

**Column 4. Amount of Tax and Surtax Paid**
Enter the amount of sales tax and surtax paid on each item listed. Do not include any amount contributed by the purchaser of a motor vehicle to a participating nonprofit scholarship-funding organization under the Hope Scholarship Program.

**Column 5. Amount of Purchase Price Less Trade-In**
Enter the sales price of each item listed, less any trade-in credit taken at the time of sale. Include all charges subject to sales and use tax, plus any applicable discretionary sales surtax, at the time of sales. Do not include nontaxable charges, such as interest or penalty charges.

**Column 6. Amount of Purchase Price Less Trade-In and Cash Down Payment**
For each item listed, enter the sales price less the amount of any trade-in credit and cash down payment at the time of sale.

**Column 7. Number of Payments Due Under Financing Agreement**
For each item listed, enter the total number of payments due under the retail installment, title loan, conditional sale, contract with a retention of title provision, or similar financing contract for the item purchased.

**Column 8. Prorated Payment Amount**
For each item listed, divide the amount in Column 6 by the amount in Column 7 to calculate the prorated payment for the item. Enter the result in Column 8.

**Column 9. Rate Factor**
For each item listed, divide the amount in Column 4 by the amount in Column 5 to calculate the sales and use tax and surtax rate at time of purchase. Enter the calculated rate in Column 9.

**Column 10. Total Number of Payments Remaining**
For each item listed, subtract any late penalties paid on the account from the total amount paid on the account. Divide the result by the amount of the monthly payment due under the financing contract (amount due when paid timely). Subtract the calculated number from the total number of payments due under the financing agreement to calculate the number of payments remaining due. Enter the result in Column 10.

**Column 11. Amount of Tax Credit or Tax Refund**
For each item listed, multiply the number in Column 8 by Column 9 by Column 10 and enter the result in Column 11. This amount is the amount of tax credit or tax refund due on the repossessed item.

**Column 12. Date of Repossession**
For each item listed, enter the date (day, month, and year) the property was repossessed.
Contact Us

Information, forms, and tutorials are available on the Department’s website 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, visit floridarevenue.com/taxes/servicecenters.

For written replies to tax questions, write to:
Taxpayer Services - Mail Stop 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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<td>Application for Refund – Sales and Use Tax</td>
<td>Rule 12-26.008, F.A.C.</td>
</tr>
</tbody>
</table>
# Application for Refund - Sales Tax Paid on Generators for Nursing Homes or Assisted Living Facilities

**Section 1: Taxpayer Information**

Refund Applicant Name:  
Federal Employer Identification Number (FEIN): Facility License Number:  
Refund Applicant Mailing Street Address:  
Mailing City: State: ZIP:  
Facility Street Address:  
Facility City: State: ZIP:  
Telephone Number (Include area code): Fax Number (Include area code): Email Address (Optional):  

**Section 2: Taxpayer Representative**

Representative Name:  
Street or Mailing Address of Representative:  
City: State: ZIP:  
Telephone Number (Include area code): Fax Number (Include area code): Email Address (Optional):  

**Section 3: Purchase Information**

Purchase Date: (MM/DD/YY)  
☐ Invoices/Receipts Attached  
Amount Paid:  

**Section 4: Refund Amount**

Refund Amount:  

**Section 5: Applicant Affidavit**

The purchaser of the equipment used to generate emergency electricity in a nursing home facility or an assisted living facility must sign the following affidavit:

I, __________________________, hereby affirm that the equipment for which I have requested a refund of sales tax paid will be used to generate emergency electric energy at a nursing home facility as defined in s. 400.021(12), Florida Statutes, or an assisted living facility as defined in s. 429.02(5), Florida Statutes. I understand that a person who furnishes a false affidavit to the Florida Department of Revenue is subject to a mandatory penalty of 200% of the evaded tax, in addition to being liable for fine and punishment as provided by law for a conviction of a felony of the third degree. Under penalties of perjury, I declare that I have read the foregoing affidavit and the facts stated in it are true to the best of my knowledge and belief.

Signature of Purchaser: __________________________ Date: __________________________  

**Section 6: Authorization and Signature**

Under penalties of perjury, I declare that I have read the foregoing application and the facts stated in it are true.

Taxpayer Signature: __________________________ Date: __________________________  
OR  
Representative Signature: __________________________ Date: __________________________
Florida law provides that any equipment used to generate emergency electric energy for use at a nursing home facility or an assisted living facility purchased during the period July 1, 2017, through December 31, 2018, is exempt from sales and use tax and discretionary sales surtax. The exemption is limited to a maximum of $15,000 in sales tax and surtax paid on equipment purchased for any single facility.

Is there a time limit to apply?
Yes. For purchases of equipment made on or after July 1, 2017, and before March 23, 2018, you must submit a completed Application for Refund - Sales Tax Paid on Generators for Nursing Homes or Assisted Living Facilities (Form DR-26SIGEN), including the required documentation, to the Department no later than September 23, 2018.

For equipment purchased during the period March 23, 2018, through December 31, 2018, for which you paid Florida sales tax and surtax, you must submit a completed Application for Refund - Sales Tax Paid on Generators for Nursing Homes or Assisted Living Facilities (Form DR-26SIGEN), including the required documentation, to the Department within six months after the date of purchase.

Documentation Required
A copy of each sales invoice or other proof of purchase of qualified equipment showing the Florida sales tax paid, the date of purchase, and the name and address of the dealer from whom the materials were purchased must be submitted with your application.

You may choose to submit the required documentation electronically instead of providing paper copies. Contact Refunds at 850-617-8585 for more information.

Upon receipt of an application, the application, supporting information, and documentation will be reviewed. You will be notified if additional information or documentation is needed.

Once your application contains all information and documentation needed by the Department to determine eligibility and the amount of the refund claim due, your refund claim will be processed.

Mail this application and applicable documentation to:
Florida Department of Revenue
Refunds
PO Box 6490
Tallahassee FL 32314-6490
OR
Fax 850-410-2526

For more information about the documentation needed to process your refund, or to check on the application status, call Refunds at 850-617-8585.

Contact Us
Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

Subscribe to Receive Email Alerts from the Department.
Subscribe to receive an email for due date reminders, Tax Information Publications (TIPs) or proposed rules, notices of rule development workshops, and more. Subscribe today at floridarevenue.com/dor/subscribe.

Reference
The following document was mentioned in this form and is incorporated by reference in the rule indicated below. The form is available online at floridarevenue.com/forms.

Form DR-835 Florida Department of Revenue Power of Attorney and Declaration of Representative Rule 12-6.0015, F.A.C.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE
SALES AND USE TAX
AMENDING RULE 12A-1.007

SUMMARY OF PROPOSED RULE

The proposed amendments correct the title of a form and clarify that all taxes paid by and refunded to a customer who has a vehicle repurchased under Chapter 681, F.S., are refundable to the manufacturer making the refund.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The purpose of the proposed amendments to Rule 12A-1.007, F.A.C., is: to correct the title provided for Form DR-123, Affidavit for Partial Exemption of Motor Vehicle Sold to a Resident of Another State for Licensing Outside Florida, incorporated by reference in Rule 12A-1.097, F.A.C., and to clarify information regarding sales tax and surtax due to be refunded to the consumer on a repurchased motor vehicle under Chapter 681, F.S., Motor Vehicle Warranty Enforcement Act.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

NOVEMBER 16, 2017

A Notice of Proposed Rule Development was published in the Florida Administrative Register on November 2, 2017 (Vol. 43, No. 213, pp. 4943-4944), to advise the public of the proposed changes to Rule 12A-1.007, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on November 16, 2017. No request was received and no workshop was held. The Department received public comments requesting changes to Rule 12A-1.007, F.A.C. The version included in this package incorporates the requested changes.

SUMMARY OF PUBLIC MEETING

JUNE 13, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on June 13, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12A-1.007, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on May 30, 2018 (Vol. 44, No. 120, pp. 2885-2886).

SUMMARY OF RULE HEARING

JULY 11, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on June 20, 2018 (Vol. 44, No. 120, pp. 2884-2885), to advise the public of the proposed changes to Rule 12A-1.007, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on July 11, 2018. No request was received and no hearing was held.

Written comments were received from the staff of the Joint Administrative Procedures
Committee. A notice of correction was published in the Florida Administrative Register on July 11, 2018, (Vol. 44, No. 134, p. 3230), providing requested changes. The change to Rule 12A-1.007, F.A.C, added a missing date from the history of previous revisions.

**SUMMARY OF PUBLIC MEETING**

**AUGUST 14, 2018**

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, adopted the proposed changes to Rule 12A-1.007, F.A.C., and approved the filing and certification of the changes with the Department of State. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648 - 3649). Following this meeting, the Department determined that an earlier draft version of the rule had inadvertently been presented to the Governor and Cabinet for adoption. The correct version had been noticed for a rule hearing to be held on July 11, 2018; that version, with the technical change made pursuant to the Joint Administrative Procedures Committee comment for which a notice of correction was published, is being presented for adoption today.
12A-1.007 Aircraft, Boats, Mobile Homes, and Motor Vehicles.

(1) through (7) No change.

(8) Motor Vehicles.

(a) The sale in this state by a motor vehicle dealer of a new or used motor vehicle to a resident of another state of the United States is taxable in an amount equal to the sales tax which would be imposed on such sale in the purchaser’s state of residence. A list of the sales tax rates applicable in other states and the District of Columbia is available, without cost, by one or more of the following methods: 1) writing Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112; or, 2) visiting any local Department of Revenue Service Center to personally obtain a copy; or, 3) calling the Forms Request Line during regular office hours at (850)488-6800; or, 4) downloading selected forms from the Department’s website at www.floridarevenue.com/forms. However, such tax shall not exceed the tax that would otherwise be imposed by Chapter 212, F.S. At the time of the sale the purchaser shall execute a notarized statement of his or her intent to license the vehicle in his or her state of residence within 10 days from the date of purchase and:

1. through 3. No change.

4. The Department prescribes Form DR-123, Affidavit for Partial Exemption of Motor
Vehicle Sold to a Resident of Another State for Licensing Outside Florida, incorporated by reference in Rule 12A-1.097, F.A.C., to be completed by the purchaser and furnished to the selling dealer or appropriate sales tax collection agency.

(b) through (m) No change.

(9) through (22) No change.

(23) Motor Vehicle Warranty Repurchases or Replacements (Lemon Law).

(a) The following provisions shall apply when a manufacturer pursuant to the provisions of Section 681.104, F.S., replaces or repurchases a motor vehicle:

1. No change.

2. a. through c. No change.

   d. The amount of refund to the manufacturer shall be in an amount which results when the state sales tax percentage plus any county discretionary surtax is multiplied by the sum which remains when the reasonable offset for use is subtracted from the sales price of the vehicle.

   (I) Example: The total sales price of the vehicle less trade-in allowance is $18,000. The reasonable offset for use of 2,000 miles out of projected 120,000 miles (2,000 × 18,000 divided by 120,000) equals $300. Sales tax of 6 percent times $17,700 ($18,000 minus $300) represents the amount of sales tax refunded to the manufacturer of $1,062.

   (II) Example: The sales price of the vehicle is $10,000. The reasonable offset for use of 48 miles out of projected 120,000 miles equals $4 (48 × 10,000 divided by 120,000). Sales tax of 3 percent (sales tax rate of purchaser’s resident state) times 9,996 ($10,000 minus $4) equals $299.88, which sum represents the amount of sales tax refunded to the manufacturer.

   (III) Example: The sales price of the vehicle is $8,000. The reasonable offset for use of 600 miles out of projected 120,000 miles equals $40 (600 × 8,000 divided by 120,000). Sales tax of 7
percent (6 percent plus 1 percent county discretionary surtax) times $5,000 (statutory limit on which county discretionary surtax is imposed) equals $350. The remainder of the sales price of $2,960 ($8,000 minus $5,000 minus $40) times 6 percent equals $177.60. The total of $527.60 ($350 plus $177.60) represents the amount of sales tax refunded to the manufacturer.

(b) No change.

(24) through (28) No change.

Rulemaking Authority 212.05(1), 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(2), (4), (10), (14), (15), (16), (19), (20), 212.03, 212.05(1), 212.06(1), (2), (4), (5), (7), (8), (10), (12), 212.0601, 212.07(2), (7), 212.08(5)(i), (7)(t), (aa), (ee), (10), (11), 212.12(2), (12), 213.255(4)-(2), (3), 213.35, 215.26(2), 681.102(13)-(14), (20)-(21), 681.104 FS. History—Revised 10-7-68, 1-7-70, Amended 1-17-71, Revised 6-16-72, 8-18-73, 12-11-74, 6-9-76, Amended 2-21-77, 5-10-77, 9-26-77, 9-28-78, 3-16-80, 12-31-81, 7-20-82, 10-13-83, Formerly 12A-1.07, Amended 1-2-89, 12-11-89, 3-17-93, 10-17-94, 3-20-96, 4-2-00, 6-19-01, 8-1-02, 4-17-03, 4-17-03 9-28-04, 1-11-16.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-15, FLORIDA ADMINISTRATIVE CODE
DISCRETIONARY SALES SURTAX
AMENDING RULE 12A-15.014

SUMMARY OF PROPOSED RULE

The state sales tax rate is set by the Legislature and is subject to change from year to year. The 2018 Legislature reduced the state rate on the lease or license of real property from 5.8% to 5.7%. The proposed amendment to Rule 12A-15.014, F.A.C., adjusts the state sales tax rate to match the statutory change.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The proposed change is necessary to implement a statutory change.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3094), to advise the public of the proposed
changes to Rule 12A-15.014, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 11, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING
AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12A-15.014, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING
OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, p. 4214), to advise the public of the proposed changes to Rule 12A-15.014, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.
12A-15.014 Transition Rule.

(1) No change.

(2) Commercial Rentals. Prepayments of rents to avoid increased tax rate are prohibited. Tenants with leases in effect prior to the effective date of any such surtax which provide for payments to be made on and after the effective date of any such surtax, cannot avoid tax by prepaying rent prior to the effective date of the surtax. Commercial rentals will be taxed at 5.7% 5.8% plus the surtax rate for all rentals due on or after the effective date of any such surtax.

(3) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.031, 212.05(1), 212.05011, 212.054, 212.055 FS. History–New 12-11-89, Amended 11-16-93, 3-20-96, 10-2-01, 4-17-03, 1-17-18.
STATE OF FLORIDA

DEPARTMENT OF REVENUE

CHAPTER 12A-19, FLORIDA ADMINISTRATIVE CODE

COMMUNICATIONS SERVICES TAX

AMENDING RULE 12A-19.100

SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12A-19.100, F.A.C., adopt, by reference, changes to forms used to report the Florida communications services tax. These changes are limited to annual tax rate adjustments for local jurisdictions and formatting changes.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The proposed changes are necessary to implement a statutory change.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3094), to advise the public of the proposed changes to Rule 12A-19.100, F.A.C., and to provide that, if requested in writing, a rule
development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

**SUMMARY OF PUBLIC MEETING**

**AUGUST 14, 2018**

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12A-19.100, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

**SUMMARY OF RULE HEARING**

**OCTOBER 10, 2018**

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4215-4216), to advise the public of the proposed changes to Rule 12A-19.100, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.

**SUMMARY OF RULE HEARING**

**NOVEMBER 7, 2018**

A Notice of Hearing was published in the Florida Administrative Register on October 26, 2018 (Vol. 44, No. 210, p. 4948), to advise the public of a hearing to present changes to jurisdictional rates found on form DR-700016 following the general election held on November
6, 2018. A notice of change was published in the Florida Administrative Register on November 8, 2018 (Vol. 44, No. 219, p. 5156), providing these changes. The final form presented for adoption today reflects these changes.
12A-19.100 Public Use Forms.

(1) No change.

(2) The following versions of Form DR-700016, Florida Communications Services Tax Return, are applicable to the reporting periods and service billing dates indicated:

<table>
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<th>REVISION DATE</th>
<th>REPORTING PERIODS</th>
<th>SERVICE BILLING DATES</th>
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2
1. Tax due on sales subject to 4.92% state and .15% gross receipts portions of communications services tax (from Summary of Schedule I, Line 3) ........... 1.
2. Tax due on sales subject to 2.37% gross receipts portion of communications services tax (from Summary of Schedule I, Line 6) ........... 2.
3. Tax due on sales subject to local portion of communications services tax (from Summary of Schedule I, Line 7)................................. 3.
4. Tax due for direct-to-home satellite services (from Schedule II, Column C) 4.
5. Total communications services tax (add Lines 1 through 4) ......................... 5.
   (If rate above is blank, check one)
    None applies
    .0025
    .0075
7. Net communications services tax due (subtract Line 6 from Line 5) ............ 7.
10. Adjustments (from Schedule III, Column G and/or Schedule IV, Column U) ............................................................. 10.
11. Multistate credits (from Schedule V) ........................................................... 11.
12. Amount due with return ............................................................................... 12.

Payment Coupon

To ensure proper credit to your account, attach your check to this payment coupon. Mail with tax return and all schedules.

Check here if your address or business information changed and enter changes below.

Check here if you are discontinuing your business and this is your final return (see page 15).

Payment is due on the 1st and LATE if postmarked or hand delivered after

Amount due from Line 12

CONTACT NAME (TYPE OR PRINT NAME)
CONTACT PHONE NUMBER
CONTACT EMAIL ADDRESS
Where to send payments and returns
Make check payable to and send with return to:
   FLORIDA DEPARTMENT OF REVENUE
   PO BOX 6520
   TALLAHASSEE FL 32314-6520
or
   File online using the Department’s website at floridarevenue.com.

File electronically . . .
it’s easy!
The Department maintains a free and secure website to file and pay communications services tax. To file and pay, go to the Department’s website at floridarevenue.com.
Complete Columns B, C, and E for all jurisdictions in which you provide or use communications services. Attach Schedule I and all other supporting schedules to the tax return.

### Schedule I - State, Gross Receipts, and Local Taxes Due

<table>
<thead>
<tr>
<th>Local jurisdiction</th>
<th>Business name</th>
<th>Business partner number</th>
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<td><strong>B. Taxable sales subject to 6.65% state tax and .15% gross receipts tax</strong></td>
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<tr>
<td><strong>C. Taxable sales subject to 2.37% gross receipts tax and local tax</strong></td>
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<tr>
<td><strong>D. Local tax rate</strong></td>
<td><strong>E. Local tax due</strong></td>
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</table>
Complete Columns B, C, and E for all jurisdictions in which you provide or use communications services. Attach Schedule I and all other supporting schedules to the tax return.

### Schedule I - State, Gross Receipts, and Local Taxes Due

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<thead>
<tr>
<th>A. Local jurisdiction</th>
<th>B. Taxable sales subject to 4.92% state tax and .15% gross receipts tax</th>
<th>C. Taxable sales subject to 2.37% gross receipts tax and local tax</th>
<th>D. Local tax rate</th>
<th>E. Local tax due</th>
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**PAGE TOTAL**
Complete Columns B, C, and E for all jurisdictions in which you provide or use communications services. Attach Schedule I and all other supporting schedules to the tax return.

### Schedule I - State, Gross Receipts, and Local Taxes Due

<table>
<thead>
<tr>
<th>Business name</th>
<th>Business partner number</th>
</tr>
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<tbody>
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<table>
<thead>
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**Schedule I - State, Gross Receipts, and Local Taxes Due**

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<tr>
<td>Flagler Beach</td>
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<td>New Smyrna Beach</td>
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<td>Oak Hill</td>
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<td>Orange City</td>
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<tr>
<td>Ormond Beach</td>
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<td>South Daytona</td>
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<td>0.0602</td>
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<tr>
<td>Sopchoppy</td>
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<td>Chipley</td>
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<tr>
<td>Wausau</td>
<td></td>
<td></td>
<td>0.0602</td>
<td></td>
</tr>
</tbody>
</table>

PAGE TOTAL

GRAND TOTAL

(carry forward to next page)
If you complete Schedule I, then you must also complete Summary of Schedule I. Attach the schedule, summary, and all other supporting schedules to the tax return.

### Summary of Schedule I - State, Gross Receipts, and Local Taxes Due

<table>
<thead>
<tr>
<th>Business name</th>
<th>Business partner number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>F. 4.92% State Tax and .15% Gross Receipts Tax</th>
<th>G. 2.37% Gross Receipts Tax</th>
<th>H. Local Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Taxable sales (Col. B grand total)</td>
<td>Taxable sales (Col. C grand total)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>State tax rate (.0492) and gross receipts tax rate (.0015)</td>
<td>.0507</td>
<td>.0237</td>
</tr>
<tr>
<td>3</td>
<td>State 4.92% plus .15% gross receipts tax due (Enter this amount on Page 1, Line 1)</td>
<td>Gross receipts tax due (Enter this amount on Page 1, Line 2)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DR-700016S R. 01/19 Page 15 of 24
Direct-to-home satellite service providers must complete Schedule II (and Schedule III, if needed) and attach to the tax return.

### Schedule II - Direct-to-Home Satellite Services

<table>
<thead>
<tr>
<th>Business name</th>
<th>Business partner number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A. Taxable Sales</th>
<th>B. 11.44% Tax Rate</th>
<th>C. Net Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enter this amount on Page 1, Line 4.

### Schedule III - Direct-to-Home Satellite Services Adjustments

<table>
<thead>
<tr>
<th>Business name</th>
<th>Reporting period (Use last day of reporting period in MM/DD/YY format)</th>
<th>Business partner number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>A. Change in Reported Taxable Sales</th>
<th>B. Rate</th>
<th>C. Collection Allowance Adjustment</th>
<th>D. Adjustment Amount (Report credits in parentheses)</th>
<th>E. Penalty</th>
<th>F. Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

G. TOTAL ADJUSTMENTS (Add Columns D, E, and F. Enter this amount on Page 1, Line 10)

.1144
# Schedule IV - Adjustments

**Business name**  

**Reporting period**  
(Use last day of reporting period in MM/DD/YY format)  

**Business partner number**

<table>
<thead>
<tr>
<th>A. Local Jurisdiction</th>
<th>B. Change in Reported Taxable Sales</th>
<th>C. Rate</th>
<th>D. Collection Allowance Adjustment</th>
<th>E. Adjustment Amount (Report credits in parentheses)</th>
<th>F. Change in Reported Taxable Sales</th>
<th>G. Rate</th>
<th>H. Collection Allowance Adjustment</th>
<th>I. Adjustment Amount (Report credits in parentheses)</th>
<th>J. Penalty</th>
<th>K. Interest</th>
</tr>
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<tbody>
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<td>COUNTY:</td>
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<td>Unincorporated Area:</td>
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<td>Unincorporated Area:</td>
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<td>TOTAL:</td>
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</tr>
</tbody>
</table>

**Gross Receipts Calculation**

L. Change in Reported Taxable Sales (See Instructions)  
M. Rate  
N. Collection Allowance Adjustment (See Instructions)  
O. Adjustment Amount (Report credits in parentheses)  
P. Penalty  
Q. Interest

**Penalty and Interest Calculation**

R. Net Tax Adjustments (Add Cols. E, I and O)  
S. Penalty (Add Cols. J and P)  
T. Interest (Add Cols. K and Q)  
U. Total Adjustments (Add Cols. R, S, and T. Enter this amount on Page 1, Line 10) (Report credits in parentheses)
If you complete Schedule V, attach it to the tax return.  
See Instructions for completing this Schedule.

<table>
<thead>
<tr>
<th>COUNTY:</th>
<th>Unincorporated Area:</th>
<th>CITY:</th>
<th>CITY:</th>
<th>CITY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY:</td>
<td>Unincorporated Area:</td>
<td>CITY:</td>
<td>CITY:</td>
<td>CITY:</td>
</tr>
<tr>
<td>COUNTY:</td>
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<td>COUNTY:</td>
<td>Unincorporated Area:</td>
<td>CITY:</td>
<td>CITY:</td>
<td>CITY:</td>
</tr>
</tbody>
</table>

**COLUMN TOTALS:**

<table>
<thead>
<tr>
<th>A. Local Jurisdiction</th>
<th>B. Beginning Date (MMDDYYYY)</th>
<th>C. Ending Date (MMDDYYYY)</th>
<th>D. Multistate Credits</th>
<th>E. Multistate Credits</th>
<th>F. Multistate Credits</th>
<th>G. Multistate Credits</th>
</tr>
</thead>
</table>

**H. TOTAL CREDITS:** (Add totals of Columns D through G. Enter this amount on Page 1, Line 11.)
General Information and Instructions

Who must file a return?
All registered dealers of communications services must file a Florida Communications Services Tax Return (Form DR-700016).

What is the communications services tax?
Communications services tax is imposed on voice, data, audio, video, or any other information or signal transmitted by any medium. The tax includes:
- a state portion imposed by section (s.) 202.12, Florida Statutes (F.S.);
- a gross receipts portion imposed by s. 203.01, F.S., but collected and administered under Chapter 202, F.S.; and
- a local portion imposed by s. 202.19, F.S.

Services subject to tax
Examples of services subject to the tax include:
- Local, long distance, and toll telephone
- Voice over Internet Protocol (VoIP) telephone
- Video service (e.g., television programming and streaming)
- Direct-to-home satellite
- Mobile communications
- Private communications
- Pager and beeper
- Telephone charge made at a hotel or motel
- Facsimiles (fax), when not provided in the course of professional or advertising services
- Telex, telegram, and teletypewriter
- Bundled Services: Generally, when taxable and nontaxable services or goods are bundled together and sold for one sales price, the entire charge is subject to tax. However, any portion of a charge for other services or goods that are not communications services (such as Internet access) are not subject to the tax, if the charge can be reasonably identified in your books and records. Please note that such charges may be subject to sales and use tax pursuant to Chapter 212, F.S. Also, charges for items described in s. 202.11(13)(a), F.S., are always subject to communications services tax.
- Exemptions
Transactions exempt from the tax include:
- Sales for resale.
- Sales to federal government agencies.
- Sales to state, local, and municipal governments.
- Sales to religious and educational organizations, and homes for the aged that are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.
- Sales to holders of a direct pay permit for communications services.

Partial exemption for residential service
Communications services sold to a residential household are exempt from the 4.92 percent state portion and the .15 percent gross receipts portion of the tax. Residential service is subject to the 2.37 percent gross receipts tax and local tax. This partial exemption does not apply to the sale of mobile communications service, video service, direct-to-home satellite service, or any residence that constitutes all or part of a transient public lodging establishment as defined in Chapter 509, F.S.

Tax Rates
The rate for the state portion is 4.92 percent (.0492). The total rate for the gross receipts portion is 2.52 percent (.0252), which is composed of .15 percent (.0015) and 2.37 percent (.0237). The rate for direct-to-home satellite services is 11.44 percent (.1144). Each taxing jurisdiction (municipality, charter county, or unincorporated county) has a specific local tax rate. To verify current local tax rates, visit the Department’s website at floridarevenue.com/taxes/cst.

When is the return due and payable?
Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period. If the 20th falls on a Saturday, Sunday, or state or federal holiday, your return must be postmarked or hand delivered on the first business day following the 20th.

Electronic payments must be initiated no later than 5:00 p.m. Eastern time on the last business day before the 20th. Electronic returns must have an electronic date stamp on or before the 20th.

Penalty for late payments
A 10 percent penalty is due for each 30-day period, or fraction thereof, that your return or payment is late. The maximum penalty is 50 percent of the total amount due. See chart below.

Late payments include additional tax due as a result of changes in situsing of previously reported sales from a local jurisdiction with a lower tax rate to a local jurisdiction with a higher tax rate, if the provider has not used an address database that meets the requirements of s. 202.22, F.S.

<table>
<thead>
<tr>
<th>Days Late</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-30</td>
<td>10%</td>
</tr>
<tr>
<td>31-60</td>
<td>20%</td>
</tr>
<tr>
<td>61-90</td>
<td>30%</td>
</tr>
<tr>
<td>91-120</td>
<td>40%</td>
</tr>
<tr>
<td>over 120</td>
<td>50%</td>
</tr>
</tbody>
</table>

Interest on late payments
Interest is due on late payments and is accrued from the date tax is late until it is paid. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. To obtain interest rates:
- Visit the Department’s website at floridarevenue.com/taxes/rates.
- Call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).
If you change your business name, mailing address, or close or sell your business, immediately notify the Department. The quickest way to notify us is online. Go to floridarevenue.com/taxes/updateaccount.

Where to send payments and returns
Make check payable to and send with return to: Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32314-6520
You may e-file and e-pay using our website at floridarevenue.com.

How can I get more information?
If you have questions about this form or the filing requirements for this tax, call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

Completing the Return

Business partner number - This is a unique identifier assigned by the Department when you register. The business partner number appears on your Communications Services Tax Certificate of Registration (DR-700014). Please be sure that this number is recorded on the return and all schedules before submission.

Proper collection of tax - “Tax due” is not a straight percentage calculation using the “Taxable sales” columns of Schedule I. The tax rates are preprinted on the schedule as a convenience, but the amount of tax entered in the “tax due” columns should never be less than the actual amount of tax charged.

Supporting schedules - All supporting schedules are required to process the return. Failure to submit supporting schedules will delay the processing of the return and/or any refund that may be associated with the return. Florida law imposes a $5,000 penalty if you fail to report and identify local communications services tax on the appropriate return schedule. Failure to include Schedule I or the use of an unapproved alternative format for Schedule I (such as a spreadsheet) will result in this penalty.

Signature - The return must be signed by a person who is authorized to sign on behalf of the dealer. Failure to include an authorized signature will delay the processing of the return and/or any refund that may be associated with the return.

Line-by-Line Instructions

Enter all demographic information requested on Page 1 of the return, if the return is not personalized.

Note: Complete Schedules I through V, if applicable, before completing Lines 1-12 of the return.

Line 1 - Tax due on sales subject to 4.92 percent state and .15 percent gross receipts portions of communications services tax. Enter the amount from Summary of Schedule I, Column F, Line 3 (Page 15).

Line 2 - Tax due on sales subject to 2.37 percent gross receipts portion of communications services tax. Enter the amount from Summary of Schedule I, Column G, Line 6 (Page 15).

Line 3 - Tax due for sales subject to local portion of communications services tax. Enter the amount from Summary of Schedule I, Column H, Line 7 (Page 15).

Line 4 - Tax due for direct-to-home satellite services. Enter total from Schedule II, Column C (Page 16).

Line 5 - Total communications services tax. Add Lines 1 through 4 and enter the result.

Line 6 - Collection allowance. If the collection allowance rate is not preprinted on the return, check the box for the collection allowance that applies to this filing period. Multiply the collection allowance rate by the amount on Line 5 and enter the result.

Determining the collection allowance:
• Only timely filed returns with payments are entitled to a collection allowance.
• If you submit a timely return and payment and use the Department of Revenue (DOR) database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., to situs customers you may apply a .75 percent (.0075) collection allowance.
• Direct-to-home satellite providers who file a timely return and payment may apply a .75 percent (.0075) collection allowance.
• If you file a timely return and payment and do not use the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., you must apply a .25 percent (.0025) collection allowance.
• Direct pay permit holders do not receive a collection allowance on amounts accrued but not collected from customers.

Line 7 - Net communications services tax due. Subtract Line 6 from Line 5 and enter the result.

Line 8 - Penalty. A 10 percent penalty is due for each 30-day period, or fraction thereof, that your return or payment is late. The maximum penalty is 50 percent of the amount due. Multiply Line 5 by the applicable penalty percentage and enter the result.

Line 9 - Interest. Interest is due on late payments, from the date tax is late until paid. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. See “Interest on late payments” on Page 19 for more information. Multiply Line 5 by the applicable interest rate and enter the result.

Line 10 - Adjustments. Enter the Total Adjustments from Schedule III, Column G (Page 16) and/or the Total Adjustments from Schedule IV, Column U (Page 17). Enter negative numbers in parentheses (amount).

Line 11 - Multistate credits. Enter the Total Credits from Schedule V, Column H (Page 18).

Line 12 - Amount due with return. Add lines 7 through 9, add or subtract Line 10, subtract Line 11 and enter the result. Enclose a check for the amount due payable to the Florida Department of Revenue.

Signature. The return must be signed by a person who is authorized to sign on behalf of the provider. Failure to include an authorized signature on Page 1 of the return will delay the processing of the return and/or any refund that may be associated with the return.
### Schedule I

**State, Gross Receipts, and Local Taxes Due**

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Local jurisdiction. You must report the amount of taxable sales and tax collected and/or accrued for each county and municipality in which you provide or use communications services.</td>
</tr>
<tr>
<td>B</td>
<td>Taxable sales subject to .492 percent state tax and .15 percent gross receipts tax. Enter total sales of all taxable communications services and/or all purchases subject to tax under a direct pay permit.</td>
</tr>
<tr>
<td>C</td>
<td>Taxable sales subject to 2.37 percent gross receipts and local taxes. Enter total sales of all taxable communications services and/or all purchases subject to tax under a direct pay permit.</td>
</tr>
<tr>
<td>D</td>
<td>Local tax rates. A list of local rates by jurisdiction is preprinted. Note: Local rates can change. You may verify current rates at floridarevenue.com/taxes/cst.</td>
</tr>
<tr>
<td>E</td>
<td>Local tax due. Enter the total local tax collected and/or accrued for taxable transactions reported in Column C, on the line corresponding to the appropriate local jurisdiction.</td>
</tr>
</tbody>
</table>

#### Who must complete this schedule?

Communications services providers, including cable service providers, direct pay permit holders, and mobile communications providers, must complete this schedule and send it with the tax return. (Direct-to-home satellite service providers should not complete Schedule I, but must complete Schedule II.) Florida law imposes a $5,000 penalty if you fail to report and identify local communications services tax on the appropriate return schedule. Failure to include Schedule I or the use of an unapproved alternative format for Schedule I (such as a spreadsheet) will result in this penalty.

#### Important Notes about Schedule I:

- This Schedule must not contain any negative numbers.
- Eligible bad debt credits may be netted on this Schedule; however, the result must not be less than zero.
- This Schedule must not be used to report other credits or adjustments. Use Schedule IV to report other credits, make adjustments to prior periods, and take credit for tax paid on services that are resold.

#### Note on bad debts:

Communications services providers may report credits for bad debts by netting the credit directly against communications services tax due on Schedule I, or may report credits for bad debts on Schedule IV. Providers using Schedule I may use a proportional allocation method based on current gross sales or other reasonable allocation method approved by the Department to determine the amount of bad debt attributable to the state or local jurisdiction. The credit must be taken within 12 months after the last day of the calendar year for which the bad debt was charged off on the federal return. Regardless of the method used to report bad debt credits, providers must keep records to support all credit amounts reported.

### Summary of Schedule I, Columns F-H (Page 15)

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>4.92 percent state tax and .15 percent gross receipts tax.</td>
</tr>
<tr>
<td>G</td>
<td>State tax rate (.0492) and gross receipts tax rate (.0015). The state tax rate of .0507 is preprinted. This rate is comprised of both the 4.92 percent state portion and the .15 percent gross receipts portion.</td>
</tr>
<tr>
<td>H</td>
<td>Local tax.</td>
</tr>
</tbody>
</table>

#### Who must complete this schedule?

Direct-to-home satellite service providers must complete this schedule and send it with the tax return.

#### Important Notes about Schedule II:

- This Schedule must not contain any negative numbers.
- Eligible bad debt credits may be netted on this Schedule; however, the result must not be less than zero.
- This Schedule must not be used to report other credits or adjustments. Use Schedule III to report other credits, make adjustments to prior periods, and take credit for tax paid on services that are resold.

#### Note on bad debts:

Direct-to-home satellite service providers may report credits for bad debts by netting the credit directly against communications services tax due on Schedule II, or may report credits for bad debts on Schedule III. Providers using Schedule II may use a proportional allocation method based on current gross sales or other reasonable allocation method approved by the Department to determine the amount of bad debt. The credit must be taken within 12 months after the last day of the calendar year for which the bad debt was charged off on the federal return. Regardless of the method used to report bad debt credits, providers must keep records to support all credit amounts reported.

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Taxable sales. Enter the total taxable sales of direct-to-home satellite communications services.</td>
</tr>
<tr>
<td>B</td>
<td>Tax rate. The direct-to-home satellite services tax rate of .1144 is preprinted.</td>
</tr>
<tr>
<td>C</td>
<td>Net tax due. Enter the total communications services tax collected and/or accrued for taxable sales reported on Schedule II, Column A. Also enter the amount on Page 1, Line 4.</td>
</tr>
</tbody>
</table>
## Schedule III
### Direct-to-Home Satellite Services Adjustments

### Who must complete this schedule?
Direct-to-home satellite service providers must complete this schedule to report adjustments to previous filing periods.

### Important notes about Schedule III:
- Complete a separate Schedule III for each applied period that you are adjusting.
- Make photocopies of Schedule III as needed.
- The amount of credit claimed on Schedule III cannot exceed the amount of tax reported on Schedule II. If the credit claimed is greater than the tax collected, report the additional amount on a subsequent return.

### Note on bad debts:
Providers may choose to report bad debt credits on Schedule III instead of netting them on Schedule II. The credit amount should be reported as a reduction in taxable sales in Column A. The credit must be taken within 12 months after the last day of the calendar year for which the bad debt was charged off on the federal return. Providers must keep records to support all credit amounts reported.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Change in reported taxable sales</th>
<th>Enter the net change in taxable sales. This is the total of the taxable sales which are either being added to or deleted from transactions previously reported. Report negative amounts in parentheses (amount).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column B</td>
<td>Rate.</td>
<td>Enter the appropriate rate for the applied period that you are adjusting.</td>
</tr>
<tr>
<td>Column C</td>
<td>Collection allowance adjustment</td>
<td>Collection allowance adjustments are required for all transactions that result in a decrease in taxable sales. If Column A (Change in reported taxable sales) is a decrease (negative number), multiply .0075 by the amount of tax collected and/or accrued on the amount in Column A. The result should be entered as a positive number in Column C. If a collection allowance was not taken on the original return or the adjustment results in an increase in taxable sales, this section does not apply. Enter 0 (zero) in Column C.</td>
</tr>
<tr>
<td>Column D</td>
<td>Adjustment amount</td>
<td>Subtract Column C from the amount of tax collected and/or accrued for sales transactions reported in Column A. Enter the result. Report negative amounts in parentheses (amount).</td>
</tr>
</tbody>
</table>

### Penalty and Interest Calculation
Penalty and interest are due on all adjustments which result in an increase in tax due.

| Column E | Penalty.                        | See “Penalty for late payments” on Page 19 for information on calculating the penalty due.                                                                                                                      |
| Column F | Interest.                       | See “Interest on late payments” on Page 19 for information on calculating the interest due.                                                                                                                     |

| Column G | Total adjustments.              | Sum the totals of Columns D, E, and F. Enter the result in Column G and on Page 1, Line 10.                                                                                                                        |

## Schedule IV
### Adjustments

### Who must complete this schedule?
Communications services providers (except direct-to-home satellite service providers) must use this schedule to:
- Report corrections or adjustments to previous reporting periods.
- This schedule must be used to correct state or local tax situating errors (revenue reported in the wrong jurisdiction) and to adjust amounts reported incorrectly on previous returns.
- Report adjustments in taxable sales due to credits.
- Take credit for tax paid to a vendor on services that have been resold.

### Important notes about Schedule IV:
- Complete a separate Schedule IV for each applied period that you are adjusting.
- Make photocopies of Schedule IV as needed.
- The amount of credit claimed on Schedule IV cannot exceed the amount of tax reported on Schedule I. If the credit claimed is greater than the tax collected, report the additional amount on a subsequent return.

### Note on bad debts:
Providers may choose to report bad debt credits on Schedule IV instead of netting them on Schedule I. The credit amount should be reported as a reduction in taxable sales in Column B. The credit must be taken within 12 months after the last day of the calendar year for which the bad debt was charged off on the federal return. Providers must keep records to support all credit amounts reported.

| Column A | Local jurisdiction.            | Enter the names of the jurisdiction(s) for which you have adjustments. Attach additional sheets as needed.                                                                                                      |

### State Tax Calculation

#### Column B - Change in reported taxable sales
Enter the net change in taxable sales on the line corresponding to the appropriate county jurisdiction(s). The net change in taxable sales may include a reduction for eligible bad debts. Report negative amounts in parentheses (amount).

#### Column C - Rate
Enter the appropriate rate for the applied period you are adjusting. **Note:** For periods prior to July 2015, the state rate is 6.8 percent, which is a combination of the 6.65 percent state portion and the .15 percent gross receipts portion. For periods July 2015 and later, the state rate is 5.07 percent, which is a combination of the 4.92 percent state portion and the .15 percent gross receipts portion.

#### Column D - Collection allowance adjustment
Collection allowance adjustments for state tax are required for transactions that result in a decrease in taxable sales for a prior applied period or a change in jurisdiction only (no change in taxable sales), this section does not apply. Enter 0 (zero) in Column D.

If Column B (change in reported taxable sales) is a decrease (negative number), the collection allowance must be recouped by one of the following methods. The result should be entered as a positive number in Column D.
- If you are using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0075 by the tax collected and/or accrued for sales being decreased in Column B.
Interest Calculation.

If you are not using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0025 by the tax collected and/or accrued for sales being decreased in Column B.

Column E - Adjustment amount. Subtract Column D from the tax collected and/or accrued for the sales reported in Column B, and enter the result.

Local Tax Calculation

Column F - Change in reported taxable sales. Enter the net change in taxable sales for the appropriate jurisdiction(s). The net change in taxable sales may include a reduction for eligible debts. Report negative amounts in parentheses (amount).

When changes in taxable sales are due to situsing or reporting errors and tax has not been refunded to the customer, use the following calculations to determine the change in taxable sales.

If you are using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., adjustments to taxable sales should be made by reallocating the original local tax due amount reported in the wrong jurisdiction to the correct jurisdiction. The tax should be reallocated regardless of the tax rate originally used or the tax rate of the correct jurisdiction. Taxable sales amounts should be calculated by dividing the tax amount by the tax rate for each affected jurisdiction.

Example 1: $1,113.09 in local tax due was originally reported in Jurisdiction A (tax rate 1.10 percent), but should have been reported in Jurisdiction B (tax rate 2.10 percent). Calculate the change (decrease) in taxable sales for Jurisdiction A by dividing the tax due originally reported in Jurisdiction A by its current tax rate. (EX: $1,113.09 divided by .0110 = $101,190.00). Report the decrease in parentheses. Calculate the change (increase) in taxable sales to Jurisdiction B by dividing the tax due originally reported in Jurisdiction A by the current tax rate for Jurisdiction B. (EX: $1,113.09 divided by .0210 = $53,004.29). Report the change (decrease) in parentheses. (Amount should refer to Column E).

Example 2: $1,113.09 in local tax due was originally reported in Jurisdiction B (tax rate 2.10 percent), but should have been reported in Jurisdiction A (tax rate 1.10 percent). Calculate the change (decrease) in taxable sales for Jurisdiction B by dividing the tax due originally reported in Jurisdiction B by its current tax rate. (EX: $1,113.09 divided by .0210 = $53,004.29). Report the decrease in parentheses. Calculate the change (increase) in taxable sales to Jurisdiction A by dividing the tax due originally reported in Jurisdiction B by the current tax rate for Jurisdiction A. (EX: $1,113.09 divided by .0110 = $101,190.00).

If you are using a database that does not meet the requirements of s. 202.22, F.S., you should identify the taxable sales and local tax due amounts to be reallocated, the tax rates for the jurisdictions where the tax was originally reported (incorrect jurisdiction), and where the tax should be reported (correct jurisdiction).

If the correct jurisdiction has a higher tax rate, the original taxable sales amount will be used to claim a credit in the incorrect jurisdiction. This same taxable sales amount will be used in the correct jurisdiction to calculate tax due. When multiplied by the tax rates, a higher local tax due amount in the correct jurisdiction will result. Note that additional local tax resulting from the transfer to a jurisdiction with a higher tax rate will be due, along with penalty and interest. See “Penalty and Interest Calculation.”

Example 3: $101,190.00 in taxable sales was originally reported in Jurisdiction A (tax rate 1.10 percent) but should have been reported in Jurisdiction B (tax rate 2.10 percent). Report the change (decrease) in taxable sales ($101,190.00) in Jurisdiction A and the tax rate (1.10 percent) in the appropriate columns. Report the decrease in parentheses. Report the change (increase) in taxable sales ($101,190.00) in Jurisdiction B and the tax rate (2.10 percent) in the appropriate columns. The additional tax will be due, along with penalty and interest.

If the rate of the correct jurisdiction is the same as or lower than the original (incorrect) jurisdiction, the tax due amount reported should be used to claim a credit in the original (incorrect) jurisdiction and this same tax due amount reported in the correct jurisdiction. Taxable sales amounts should be calculated by dividing the tax amount by the tax rate for each affected jurisdiction. When tax is transferred to a jurisdiction with a lower rate, calculated taxable sales will not match actual sales to customers but will provide the information needed to correct the allocation of tax reported.

Example 4: $1,113.09 in local tax due was originally reported in Jurisdiction B (tax rate 2.10 percent), but should have been reported in Jurisdiction A (tax rate 1.10 percent). Calculate the change (decrease) in taxable sales for Jurisdiction B by dividing the tax due originally reported in Jurisdiction B by its current tax rate. (EX: $1,113.09 divided by .0210 = $53,004.29). Report the decrease in parentheses. Calculate the change (increase) in taxable sales to Jurisdiction A by dividing the tax due originally reported in Jurisdiction B by the current tax rate for Jurisdiction A. (EX: $1,113.09 divided by .0110 = $101,190.00).

Column G - Rate. Enter the appropriate local rate for the applied period you are adjusting.

Column H - Collection allowance adjustment. Collection allowance adjustments are required for all transfers of tax between jurisdictions and any transactions that result in a decrease in taxable sales for a prior applied period. If the original filing was not eligible for a collection allowance or if this schedule is being used to report only an increase in taxable sales for a prior applied period, this section does not apply. Enter 0 (zero) in Column H.

When a jurisdictional transfer results in a transfer to a jurisdiction with the same or higher tax rate, the collection allowance adjustment must be capped at the amount claimed on the original return (i.e., no additional collection allowance will be granted on additional tax due as a result of the transfer).

If Column F (Change in reported taxable sales) is a decrease (negative number), the collection allowance must be recouped by one of the following methods. The result should be entered as a positive number in Column H.

- If you are using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0025 by the tax collected and/or accrued for sales being decreased in Column F.
- If you are not using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0025 by the tax collected and/or accrued for sales being decreased in Column F.

Column I - Adjustment amount. Subtract Column H from the tax collected and/or accrued for the sales reported in Column F, and enter the result. Report negative amounts in parentheses (amount).
Penalty and Interest Calculation

Penalty and interest are due on all adjustments which result in additional tax due, except corrections of state or local tax situsing errors (revenue reported in the wrong jurisdiction). If you are using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., you will be held harmless for tax, penalty, and interest that would have accrued otherwise as a result of the additional tax due on transfers between jurisdictions. If you do not use a database as specified in the previous sentence you will not be held harmless and the additional tax due from the transfer to the jurisdiction with the higher tax rate will be due, along with penalty and interest.

Column J - Penalty. See “Penalty for late payments” on Page 19 for information on calculating the penalty due.

Column K - Interest. See “Interest on late payments” on Page 19 for information on calculating the interest due.

Gross Receipts Calculation

Column L - Change in reported taxable sales. Enter the net change in taxable sales. The net change in taxable sales may include a reduction for eligible bad debts. Report negative amounts in parentheses (amount).

Column M - Rate. Enter the 2.37 percent gross receipts rate.

Column N - Collection allowance adjustment. Collection allowance adjustments are required for all transactions that result in a decrease in taxable sales. If the original filing was not eligible for a collection allowance or if this schedule is being used to report only an increase in taxable sales for a prior applied period, this section does not apply. Enter 0 (zero) in Column N.

If Column F (change in reported taxable sales), is a decrease (negative number), the collection allowance must be recouped by one of the following methods. The result should be entered as a positive number in Column N.

• If you are using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0075 by the tax collected and/or accrued for sales being decreased in Column F.

• If you are not using the DOR database, a database certified by DOR, or a ZIP+4 database in compliance with s. 202.22, F.S., multiply .0025 by the tax collected and/or accrued for sales being decreased in Column F.

Column O - Adjustment amount. Subtract Column N from the tax accrued on the transactions reported in Column L and enter the result. Report negative amounts in parentheses (amount).

Column P - Penalty. See “Penalty for late payments” on Page 19 for information on calculating the penalty due.

Column Q - Interest. See “Interest on late payments” on Page 19 for information on calculating the interest due.

Column R - Net tax adjustments. Add the totals of Columns E, I, and O and enter the result. Report negative amounts in parentheses (amount).

Column S - Penalty. Add the totals of Columns J and P and enter the result.

Column T - Interest. Add the totals of Columns K and Q and enter the result.

Column U - Total adjustments. Add Columns R, S, and T and enter the result in Column U and on Page 1, Line 10 of the return. Report negative amounts in parentheses (amount).

Schedule V
Multistate Credits

Who may complete this schedule?
Upon proof that you have paid a communications services tax legally imposed on a provider by another state or local jurisdiction, you may take a credit against the Florida communications services tax imposed on the provider for the same services not to exceed your Florida tax liability in the relevant local jurisdiction for the current filing period. Any credit amount exceeding the current month’s tax liability must be claimed on a subsequent return. Complete Columns A through F. Direct-to-home satellite service providers must complete only Column G.

Note: Proof of communications services tax legally imposed on the provider by another state must be submitted at the time the credit is claimed. Copies of supporting documents must be included with your return or faxed to 850-410-2816, attention CST Return Reconciliation. Failure to submit proof will result in the denial of the credit claimed.

Column A - Local jurisdiction. Enter the county(ies) or municipality(ies) for which multistate credits apply.

Columns B and C - Applied period. Enter the month, day, and year for the beginning and ending dates of the original filing period for which the credit applies in the row corresponding to the appropriate local jurisdiction(s). Separate entries are required for each applied period.

Local Tax Credits

Column D - Multistate credits. Enter the amount of the eligible multistate credit in each jurisdiction. Report negative amounts in parentheses (amount).

State Tax Credits

Column E - Multistate credits. Enter the amount of the eligible multistate credits in each county. Report negative amounts in parentheses (amount).

Gross Receipts Credits

Column F - Multistate credits. Enter the amount of the eligible multistate credit. Report negative amounts in parentheses (amount).

Direct-to-Home Satellite

Column G - Multistate credits. Enter the amount of the eligible multistate credit. Report negative amounts in parentheses (amount).

Column H - Total credits. Add the totals of Columns D through G and enter the result in Column H and on Page 1, Line 11.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-5, FLORIDA ADMINISTRATIVE CODE
TAXES ON MOTOR FUELS, DIESEL FUELS, AVIATIONS FUELS, POLLUTANTS, AND
NATURAL GAS FUEL
AMENDING RULE 12B-5.150

SUMMARY OF PROPOSED RULE
The proposed amendment to Rule 12B-5.150, F.A.C., adopts, by reference, changes to Form DR-309637N, which provides instructions for filing a petroleum carrier information return. These changes implement the provisions of Sections 27 and 28, Chapter 2018-118, L.O.F.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE
The proposed changes are necessary to implement statutory changes.

FEDERAL COMPARISON STATEMENT
The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP
JULY 18, 2018
A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3095), to advise the public of the proposed
changes to Rule 12B-5.150, F.A.C., and to provide that, if requested in writing, a rule
development workshop would be held on July 18, 2018. No request was received, and no
workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING
AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August
14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12B-
5.150, F.A.C. A notice for the public hearing was published in the Florida Administrative
Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING
OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on
September 14, 2018 (Vol. 44, No. 180, pp. 4216-4217), to advise the public of the proposed
changes to Rule 12B-5.150, F.A.C., and to provide that, if requested in writing, a rule hearing
would be held on October 10, 2018. No request was received, and no hearing was held. No
public comments were received by the Department.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-5, FLORIDA ADMINISTRATIVE CODE
TAX ON MOTOR FUELS, DIESEL FUELS, AVIATION FUELS,
POLLUTANTS, AND NATURAL GAS FUEL
AMENDING RULE 12B-5.150

12B-5.150 Public Use Forms.

(1) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) through (30)</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>(31) DR-309637N</td>
<td>Instructions for Filing Petroleum Carrier Information Return (R. 01/15)</td>
<td>01/19 04/15</td>
</tr>
</tbody>
</table>


(32) through (38) No change.


1
Instructions for Filing Petroleum Carrier Information Return

For Calendar Year

General Information

Who Must File? All common, contract, and private carriers who transport petroleum products by truck, rail, pipeline, barge, ship, or other conveyance are required to complete and file this return each month.

This provides the state with a complete record of all petroleum and biofuel products moved by truck, rail, pipeline, barge, ship, or other conveyance. Do not use this return to report tax due. It provides the state with an independent source of information used to verify reported transactions.

Each transport of petroleum product having an origination or destination point in Florida is on Schedule 14. The information listed on this schedule will be used by the Department to verify the receipts and disbursements of fuel products reported on the following returns:

- Terminal Supplier Fuel Tax Return
- Terminal Operator Information Return
- Wholesaler/Importer Fuel Tax Return
- Exporter Fuel Tax Return
- Blender Fuel Tax Return
- Mass Transit System Provider Fuel Tax Return
- Local Government User of Diesel Fuel Tax Return

The data collected on Schedule 14 is summarized and used to complete the return.

Electronic Filing: Petroleum Carriers are required to file electronically. Florida law imposes a monthly penalty of $5,000 for failing to file electronically. Enroll to file electronically using the Department’s website at floridarevenue.com/taxes/eEnroll.

Return Due Date: Your return and schedules are due to the Department on the 1st day of the month following the collection period. Your electronic return will be considered late if it is not received by the Department or its agent on or before the 20th day of each month. If the 20th day is a Saturday, Sunday, or state or federal holiday, returns will be accepted as timely if you initiate your filing on the next business day. You must file your return using the Department’s motor fuel tax web application.

Penalty: If you do not file a complete return, including all schedules, a $200 penalty will be assessed.

Supplemental Returns: If you must correct a previously filed fuel tax return or supporting schedule information, please contact Return Reconciliation at 850-488-6800 to obtain specific supplemental return instructions and blank forms.

Note: A supplemental return is any data reported to the Florida Department of Revenue that adjusts or corrects an original return. The values listed within a supplemental return must reflect the difference between the original and any previously filed supplemental return(s) and the corrected return. Corrections to understated gallons or additional transactions not included on the original return must be reported as positive values. Erroneously reported gallons or overstated transactions included on the original return must be reported as negative values.

Reporting of Kerosene, Biodiesel, and Ethanol Product Types

Undyed Kerosene – Undyed kerosene is taxable at the aviation fuel tax rate at the time it is removed from the terminal rack. Report all grades of undyed kerosene (except jet fuel) as Product Type 142. Include totals from the receipts and disbursements schedules on your tax return in Column D with jet fuel and aviation gasoline.

Dyed Kerosene – Kerosene dyed to the specifications of section (s.) 206.8741, Florida Statutes (F.S.), is exempt from aviation fuel tax. Report dyed kerosene as Product Type 072. Include totals from the receipts and disbursements schedules for Product Type 072 on the tax return in Column C with dyed diesel products and dyed biodiesel.

Biodiesel (B100) – Except for local governments who produce biodiesel for self-consumption, biodiesel manufacturers must be licensed and file returns as wholesalers. Any person importing untaxed biodiesel must be licensed as an importer. Licensed terminal suppliers meet the licensing requirements to manufacture or import biodiesel, and report their biodiesel imports or production on the terminal supplier return. Biodiesel is defined as diesel and products labeled or marketed as biodiesel, including products known as “B100,” that have not been blended with petroleum diesel. These products are taxable at the diesel fuel rate when produced in or imported into Florida in the same manner as petroleum diesel. Report unblended biodiesel as Product Type B00, and include it on your tax return in Column B with undyed petroleum diesel.

Dyed Biodiesel (B100) – Biodiesel dyed to the specifications of s. 206.8741, F.S., is exempt from diesel fuel tax. Report dyed biodiesel as Product Type D00. Include totals from the receipts and disbursements schedules on your tax return in Column C, with the totals of dyed petroleum diesel products and dyed kerosene.

Biodiesel Blends (167) – A biodiesel blend is defined as undyed biodiesel blended with petroleum diesel (i.e., B05). Report all biodiesel blends as undyed diesel fuel (Product Type 167), and include them on your tax return in Column B with pure undyed petroleum diesel and pure undyed biodiesel.
**Column Instructions**

Columns (1) and (2): Person Hiring the Carrier 
(Consignor) – Enter the name and FEIN of the company that hired the carrier.

Columns (3) and (4): Seller (If known) – Enter the name and FEIN of the company from whom you received the fuel at the terminal or other point of origin.

Column (5): Mode of Transport – Enter one of the following:

- B = Barge
- PL = Pipeline
- J = Truck
- R = Rail
- S = Ship (Great Lakes or ocean marine vessel)

(If reporting by summary or roll-up totals, see instructions below.)

Column (6): Do not enter a value (origin) in Column 6. Instead, enter the Terminal Code/Origin in the header of the schedule.

Column (7), (8), (9): Delivered to (Consignee) – Enter the name, address, and FEIN of the final delivery point. There are three options for reporting the delivery address in Column 8.

Option 1. When the destination is a terminal (either inside or outside Florida), use the IRS Terminal Code to identify the point of destination.

Option 2. When the destination is a non-terminal (bulk storage) location within Florida, use the DEP facility number to identify the point of destination. If the destination is a location in Florida, but is neither a terminal nor a facility required to be registered with the DEP (such as a portable storage tank), use the standard state abbreviation, “FL.”

Option 3. When the destination is a non-terminal (bulk storage) location outside of Florida, use the standard state abbreviation to identify the point of destination if the point of destination is within the U.S. or a U.S. protectorate; all other non-U.S. points use “ZZ.”

Column (10): Date Delivered – Enter the delivery date of the fuel product (MMDDYY).

Column (11): Document Number –

- Enter the identifying number from the manifest issued at the terminal if the product was removed over the rack. If a manifest was not issued by the terminal, use the identifying number from the manifest issued by the seller.
- Enter the pipeline ticket number if the product was moved by pipeline.
- Enter the voyage number if the product was moved by ship or barge.
- Enter the invoice number if the product was not shipped from one location to another but placed directly into a supply tank of a motor vehicle or mobile tank.
Note: If reporting by summary or roll-up totals you must enter the word “SUM” in this column. See Instructions below.

Column (12): Not required in Florida for reporting purposes.

Column (13): Net Gallons – Enter the net whole gallons delivered.

You are required to report each delivery transaction when completing schedules for reporting petroleum products transported for others.

Follow the guidelines below when completing Schedules 14B and 14C for reporting petroleum products transported on your own behalf.

• Sales to farmers - A carrier who makes deliveries of undyed diesel or biodiesel to farmers who have multiple tank locations in the same county, all of which are required to be registered with the DEP, may select one of the farmer’s DEP facility numbers in each county and report all deliveries in that county under that one DEP facility number. If you choose to summarize multiple transactions under one DEP number, you must write to the Department of Revenue, Compliance Campaign, P.O. Box 6417, Tallahassee FL 32399-6417, telling us that you will report in this manner. Include a list of the farmer’s DEP facility numbers from the county that will be rolled-up under one DEP facility number.

• Non-Registered Facilities - You may report single monthly totals by customer and product type if you deliver fuel to a storage or supply tank that is not required to be registered with the Florida Department of Environmental Protection. Enter J in Column 5, the last day of the month in Column 10, sum in Column 11, and the total net gallons in Column 13. Enter 999999991 for all other fields.

Note: You must keep the detail of all roll-up summaries for 5 years and make it available to the Department on request.

When you have completed all supporting schedules of delivery transactions, the individual schedule types must be summarized by product and the total entered on Page 4 of the return. Gasoline, gasohol, and denatured ethanol are summarized as gasoline (Column A); undyed diesel and undyed biodiesel, as undyed diesel (Column B); dyed diesel, dyed biodiesel, dyed kerosene as dyed diesel (Column C); and aviation gasoline, jet fuel, and undyed kerosene as aviation fuel (Column D).

### Table of Product Types

The following table lists the reportable product types and the appropriate columns on the return.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>065 – gasoline</td>
<td>167 – undyed diesel</td>
</tr>
<tr>
<td>124 – gasohol</td>
<td>B00 – undyed biodiesel (B100)</td>
</tr>
<tr>
<td>E00 – denatured ethanol</td>
<td>224 – compressed natural gas/propane</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Column C</td>
<td>Column D</td>
</tr>
<tr>
<td>226 – high sulfur dyed diesel</td>
<td>125 – aviation gasoline</td>
</tr>
<tr>
<td>227 – low sulfur dyed diesel</td>
<td>130 – jet fuel</td>
</tr>
<tr>
<td>D00 – dyed biodiesel (B100)</td>
<td>142 – undyed kerosene</td>
</tr>
<tr>
<td>072 – dyed kerosene</td>
<td></td>
</tr>
</tbody>
</table>
STATE OF FLORIDA

DEPARTMENT OF REVENUE

CHAPTER 12B-7, FLORIDA ADMINISTRATIVE CODE

SEVERANCE TAXES, FEES, AND SURCHARGES

AMENDING RULES 12B-7.008 AND 12B-7.031

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12B-7.008, F.A.C., adopt, by reference, changes to four forms used in the administration of gas and sulfur production and of oil production. These changes implement the provisions of Section 15, Chapter 2018-6, L.O.F.

The proposed amendments to Rule 12B-7.031, F.A.C., adopt, by reference, changes to the form used in the administration of the Miami-Dade County Lake Belt Mitigation Fees Return. These changes are clarifying in nature.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed changes are necessary to implement statutory changes and to provide citizens with accurate information.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3095), to advise the public of the proposed changes to Rules 12B-7.008, and 12B-7.031, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING

AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rules 12B-7.008 and 12B-7.031, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

SUMMARY OF RULE HEARING

OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4217-4218), to advise the public of the proposed changes to Rules 12B-7.008 and 12B-7.031, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held. No public comments were received by the Department.
STATE OF FLORIDA  
DEPARTMENT OF REVENUE  
CHAPTER 12B-7, FLORIDA ADMINISTRATIVE CODE  
SEVERANCE TAXES, FEES AND SURCHARGES  
AMENDING RULES 12B-7.008 and 12B-7.031

12B-7.008 Public Use Forms.

(1) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) DR-144</td>
<td>Gas and Sulfur Production Quarterly Tax Return (R. 7/12)</td>
<td>01/19 05/13</td>
</tr>
<tr>
<td>(3) DR-144ES</td>
<td>Declaration of Estimated Gas and Sulfur Production Tax (R. 7/12)</td>
<td>01/19 05/13</td>
</tr>
<tr>
<td>(4) DR-145</td>
<td>Oil Production Monthly Tax Return (R. 07/12)</td>
<td>01/19 05/13</td>
</tr>
<tr>
<td>(5) DR-145X</td>
<td>Oil Production Monthly Amended Tax Return (R. 07/12)</td>
<td>01/19 05/13</td>
</tr>
</tbody>
</table>

Rulemaking Authority 211.075(2), (3), 213.06(1), 1002.395(13) FS. Law Implemented 92.525(1)(b), (2), (3), (4), 211.02, 211.0251, 211.026, 211.06, 211.075, 211.076, 211.125,

12B-7.031 Public Use Forms.

(1) No change

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) DR-146</td>
<td>Miami-Dade County Lake Belt Mitigation Fees Return</td>
<td>01/19 07/48</td>
</tr>
</tbody>
</table>


Rulemaking Authority 213.06(1), 373.41492(4)(b) FS. Law Implemented 92.525(1)(b), (2), (3), (4), 212.11(1)(b), 212.12(2), 212.17(1)(c), 213.235(2), 213.37, 213.755(1), 373.41492 FS. History—New 10-1-03, Amended 9-28-04, 6-28-05, 5-1-06, 11-6-07, 1-27-09, 1-11-16.
Gas and Sulfur Production Quarterly Tax Return

For Year:

☐ Check here if amending your return

Certificate #:

FEIN:

Quarter Ending:

Return Due By:

Late After:

Complete Return Schedules First

TAX DUE WITH RETURN CALCULATION

11. Gross Tax Due: (from Lines 6 and 10) ................................................................. $ 

12. Payments and Other Credits: 

12a. Credit for Contributions to Nonprofit Scholarship-Funding Organizations: 

(may not exceed 50% of Line 6) ........................................................................... $ 

12b. Estimated Tax Payments: ............................................................................. $ 

12c. Other Credits: (see instructions) ................................................................. $ 

13. Total Tax Due: ................................................................................................. $ 

14. Penalty: ........................................................................................................... $ 

15. Interest: .......................................................................................................... $ 

16. Total Due with Return: .................................................................................. $ 

17. Credit: ............................................................................................................ $ 

18. Refund: .......................................................................................................... $ 

Under penalties of perjury, I declare that I have read the foregoing and the facts stated in it are true.

Signature of officer Title Phone number Date

Signature of preparer Address of preparer Phone number Date

Gas and Sulfur Production Quarterly Tax Return

Enclose your payment coupon and check with your tax return to ensure your account is properly credited.

Return is due on or before the 25th of the second month following the end of the quarter.

Quarter Ending

US DOLLARS CENTS

Total amount due from Line 16

Total credit from Line 17

Total refund from Line 18

FEIN Enter FEIN if not preprinted

Do Not Write in the Space Below.

DR-144

R. 01/19
### SCHEDULE I - Gas Production

<table>
<thead>
<tr>
<th>Month</th>
<th>COUNTY NAME</th>
<th>COUNTY TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total volume produced</td>
<td>First</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Second</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Third</td>
<td></td>
</tr>
</tbody>
</table>

2. EXEMPTIONS

2a. Volume used on lease operations on the lease or unit where produced.

2b. Volume produced from new field wells completed after July 1, 1997.

2c. Volume produced from new wells, shut-in wells, or abandoned wells in existing field after July 1, 1997.

2d. Volume produced from deep wells, over 15,000 ft.

2e. Gas returned to horizon in the field where produced.

2f. Gas vented or flared into the atmosphere, not sold.

3. Taxable volume (Line 1 minus Lines 2a, 2b, 2c, 2d, 2e, and 2f.)
   - Month 1
   - Month 2
   - Month 3

4. Enter total taxable volume of gas.
   (Add County Totals, Line 3, for first, second, and third months of quarter.)

5. Tax Rate

6. Gross Tax Due

### SCHEDULE II - Sulfur Production

<table>
<thead>
<tr>
<th>Month</th>
<th>COUNTY NAME</th>
<th>COUNTY TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Total tons produced</td>
<td>First</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Second</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Third</td>
<td></td>
</tr>
</tbody>
</table>

8. Enter total tons produced.
   (Add County Totals, Line 7, for first, second, and third months of quarter.)

9. Tax Rate

10. Gross Tax Due

### SCHEDULE III - Royalty Information for State Lands

Enter the average monthly unit value of gas and sulfur produced each month during the quarter if royalties are due for state owned land.

<table>
<thead>
<tr>
<th>Unit Value</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of gas per thousand cubic feet (mcf)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of sulfur per ton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural gas liquids per barrel</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Who Must File? Every producer of gas and sulfur in Florida must file a quarterly tax return. Producers must file a return even if no tax is due. Producer means any person who:

- Owns, controls, manages, or leases oil or gas property.
- Owns, controls, manages, or leases oil or gas wells.
- Produces any taxable gas or sulfur product.
- Owns any royalty or other interest in any taxable product (consistent with gas and sulfur production) or its value, whether the taxable product is produced by, or on behalf of, someone under a lease contract or otherwise.

When Must Estimated Tax be Paid? Estimated tax must be paid in monthly installments (see Form DR-144ES). You must pay any balance due on your quarterly return on or before the due date on the return.

Return Due Date: The quarterly return is due on or before the 25th day of the second month following the end of each calendar quarter. For example, the return for the third quarter, ending September 30, would be due on or before November 25. If the due date falls on a Saturday, Sunday, state or federal holiday, returns and payments will be considered timely if postmarked on the next business day. Late-filed returns are subject to penalty and interest.

Late Returns: If your return and payment are late, a delinquency penalty of 10 percent of any tax due will be added for each month, or portion of a month, the return is late. A maximum delinquency penalty, which cannot exceed 50 percent of tax due, will be assessed. A minimum penalty of $50 per month, or portion of a month, applies even if no tax is due. This penalty cannot exceed $300. Florida law provides a floating rate of interest for late payments of tax. Interest rates, including daily rates are published in Tax Information Publications (TIPs). Rates are updated semiannually on January 1 and July 1 of each year and posted online at floridarevenue.com/taxes/rates.

Underpayment of Estimated Tax: You must pay a penalty (at the rate of 12 percent per year) and interest (at a floating rate) on any underpayment of estimated tax. For more information, see Form DR-144ES.

Penalty for Substantial Underpayment: If your underpayment exceeds 35 percent of the total tax due, you will be subject to a substantial underpayment penalty of 30 percent of the underpayment. This will be in addition to other penalties and interest.

Electronic Funds Transfer: Any taxpayer who paid more than $20,000 in severance taxes between July 1 and June 30 (the state’s fiscal year), must pay their taxes by electronic funds transfer in the next calendar year. Visit the Department’s website at floridarevenue.com.

Amended Returns: If you are filing an amended return, use a new Form DR-144 and check the “amended” box on the front page. Enter your name, address, federal employer identification number (FEIN), and the taxable quarter you are amending. Complete the entire return, showing the total production of gas and sulfur for the quarter covered by the amended return. On Line 12b, list the estimated payments made, and the payment (if any) made when the original return was filed. If Line 13 results in additional tax due, you must calculate penalties and interest from the original due date to the date the amended return and payment are postmarked.

Mail your completed return and payment to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

Tax Rates – Annual tax rates for gas production and for sulfur production are determined annually by the Department as provided in sections 211.025 and 211.026, F.S., and entered by the Department. Annual tax rates are published in Taxpayer Information Publications (TIPs) and posted on the Department’s website at floridarevenue.com/taxes/rates.

Schedule I: Complete this schedule if you are a producer of gas. Gas means all natural gas, including casinghead gas, and all hydrocarbons not defined as oil. This excludes any hydrogen sulfide gas or sulfur contained, produced, or recovered from such hydrogen sulfide gas. You must specify the volume by thousand cubic feet (mcf) as produced by county. A cubic foot is defined as the volume of gas contained in one cubic foot of space at a base temperature of 60 degrees Fahrenheit and a base pressure of 14.65 pounds per square inch. Enter the county name where the gas is produced. Enter the total taxable volume on Line 4 and calculate the tax due.

Schedule II: Complete this schedule if you are a producer of sulfur. Sulfur means any sulfur produced or recovered from the hydrogen sulfide gas contained in oil or gas production. Enter the tons produced by county. Enter the county name where the sulfur is produced. Enter the total tons on Line 8 and calculate the tax due.

Schedule III: Complete this schedule if gas or sulfur royalties are due to the State of Florida for any production field on state-owned lands. Enter the average value per unit of production for each month during the quarter.
Instructions for Completing the Return

Line 11 (Gross Tax Due) – Enter the sum of Line 6 (Schedule I) and Line 10 (Schedule II).

Line 12 (Payments and Other Credits):

12a (Credit for Contributions to Nonprofit Scholarship-Funding Organizations) – Enter your pre-approved credit for contributions to nonprofit scholarship-funding organizations.

12b (Estimated Tax Payments) – Enter the total estimated tax payments made during the quarter.

12c (Other Credits) – Enter the total of all credit memos issued by the Department or the amount of overpayment carried forward from the prior quarter.

A credit is available against the severance tax on gas for contributions to nonprofit scholarship-funding organizations (SFOs). More information about this credit and how to submit your Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations (Form DR-116000) is posted on the Department’s website.

The Department of Revenue must approve an allocation of this credit before it can be taken. One hundred percent of an eligible contribution is allowed as a credit, but the amount of the credit taken may not exceed 50 percent of the gross tax due reported on Line 6, Schedule I of the return. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years. For tax years beginning prior to January 1, 2018, the unused credit can be carried forward no more than five (5) years.

Line 13 (Total Tax Due) – Subtract Line 12 (the sum of a, b, and c) from Line 11 and enter the result.

Lines 14 and 15 (Penalty and Interest) – If the return and payment are late, calculate the penalty and interest as previously instructed.

Lines 17 and 18 (Credit and Refund) – If Line 13 is negative, you have overpaid and may apply this amount to the next estimated tax payment or apply for a refund. If you choose to receive a refund, a completed Application for Refund (Form DR-26) must be submitted to the Department including documentation establishing the overpayment.

Sign and date your return and mail it with your payment to:

Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

If your payment is made by EFT, check the box on the coupon to indicate you transmitted funds electronically.

References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below.
The forms are available online at floridarevenue.com/forms.

| Form DR-144ES | Declaration of Estimated Gas and Sulfur Production Tax | Rule 12B-7.008, F.A.C. |
| Form DR-116000 | Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations | Rule 12-29.003, F.A.C. |
| Form DR-26 | Application for Refund | Rule 12-26.008, F.A.C. |
1. Enter Previous Applied Month’s Production

2. Enter Current Applied Month’s Tax Rate

3. Enter Total (multiply Line 1 by Line 2)

4. Enter Estimated Tax or Amended Estimated Tax for the Current Applied Month

5. Enter 90 Percent of Line 4

6. Enter Amount of this Installment
   (NOTE: The amount on Line 6 must equal or exceed the lesser of Line 3 or Line 5.)

7. Enter Amount of Unused Credit

8. Enter Amount of this Installment Payment (Line 6 minus Line 7) (Enter amount on face of coupon)
Instructions for Filing the Declaration of Estimated Gas and Sulfur Production Tax and Payment of Estimated Tax

Who Must File a Declaration of Estimated Tax? Every producer severing gas or sulfur and subject to tax must file a monthly declaration of estimated tax. Producer means any person who:

- Owns, controls, manages, or leases oil or gas property.
- Owns, controls, manages, or leases oil or gas wells.
- Produces any taxable gas or sulfur product.
- Owns any royalty or other interest in any taxable product (consistent with gas and sulfur production) or its value, whether the taxable product is produced by, or on behalf of, someone under a lease contract or otherwise.

When is the Declaration of Estimated Tax Due? A declaration of estimated tax must be filed on or before the 25th day of the month following each month that production occurred. If the due date falls on a Saturday, Sunday, or state or federal holiday, the declaration will be considered timely if it is postmarked on the next business day. For example, the declaration for January (current applied month) is due on or before February 25. The day we receive your payment or filing (or the postmark date if mailed), determines the timeliness of the payment or filing.

How do I Calculate my Declaration of Estimated Tax? Estimated tax means the amount of tax you think you owe for the current month. The estimate may be based on current production figures or on the previous month's production multiplied by the current month's rate (if current production figures are unavailable). To avoid penalties for underestimating tax due, the taxpayer must pay at least 90 percent of the actual tax due for the current month or an amount equal to the previous month's production multiplied by the current month's rate, whichever is less.

Complete the back of Form DR-144ES to calculate the amount of estimated tax due.

Line 1 - Enter the amount of gas and sulfur produced during the previous month.

Line 2 - Enter the current applied month's tax rate.

Line 3 - Multiply Line 1 by Line 2 and enter the result.

Line 4 - Enter estimated tax or amended estimated tax for the current applied month.

Line 5 - Multiply Line 4 by 90 percent and enter the result.

Line 6 - Enter the amount of your installment (installment must equal or exceed the lesser of Line 3 or Line 5).

Line 7 - Enter unused credit amount.

Line 8 - Subtract Line 7 from Line 6 and enter the result. Carry this figure to the “Payment Amount” on the face of the DR-144ES.

For example, if you are calculating your declaration of estimated tax for the month of July (current month), which is due on or before August 25, you should first look at June (previous month's production). On Line 1, enter the previous month's production for June. On Line 2, enter the current month's tax rate. Multiply Line 1 by Line 2 and enter the total on Line 3. On Line 5, enter 90 percent of the amount on Line 4. If you do not have final figures and are unsure of the amount of production in June, you should enter on Line 6 the total amount from Line 3 to ensure that a penalty is not assessed for underestimating tax. If you do have final figures and are sure of the amount of production in July, you may send in 90 percent of the current month's tax due and you will not incur a penalty for underestimating tax.

Filing a Quarterly Return: A quarterly return (Form DR-144) is due on or before the 25th day of the second month following the end of each calendar quarter. We will mail quarterly returns with current tax rates to you during the second month of each quarter (February, May, August, and November).

Electronic Funds Transfer (EFT): Any taxpayer who paid more than $20,000 in severance taxes between July 1 and June 30 (state's fiscal year) in the prior year, must pay their tax by EFT in the following calendar year. Visit the Department's website at floridarevenue.com.

Underpayment of Estimated Tax: An underpayment of estimated tax occurs if the monthly estimated payment is less than 90 percent of the tax determined to be due for the month, and less than the previous applied month's production multiplied by the current applied month's tax rate. Penalty at the rate of 12 percent per year is due on the amount of any underpayment of estimated tax. Interest is also due on any underpayment of estimated tax, calculated from the due date to the date of payment.

Florida law provides a floating rate of interest for late payments of tax. Interest rates, including daily rates are published in TIPs. Rates are updated semiannually on January 1 and July 1 of each year and posted on the Department's website at floridarevenue.com/taxes/rates.

Payment Coupons: Complete Lines 1 through 8 on the back of the coupon. Enter the amount from Line 8 on the front of the coupon. Make sure the name, address, installment number, federal employer identification number, and taxable year are correct. Type or print them if you are using a form that does not have preprinted information. If your payment is made electronically, be sure to check the EFT box.
Mail each coupon and payment to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

Contact Us

Information, tax rates, 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.

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 Receive Updates by Email from the Department.
Subscribe to receive an email for Tax Information Publications or proposed rules. Subscribe today at floridarevenue.com/dor/subscribe.

References: Sections 211.025 and 211.026, Florida Statutes

Reference

The following document was mentioned in this form and is incorporated by reference in the rule indicated below. The form is available online at floridarevenue.com/forms.

Form DR-144 Gas and Sulfur Production Quarterly Tax Return Rule 12B-7.008, F.A.C.
Oil Production Monthly Tax Return

Mail to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee Florida 32399-0150

Rule 12B-7.008, F.A.C.
Effective 01/19
Page 1 of 7

Use black ink. Example A - Handwritten. Example B - Typed

Certificate # : 
FEIN : 
Applied Period : 
Return Due Date :

HD/PM DATE:

Tax Due with Return Calculation

27. Gross Tax Due (Enter the sum of Line 8, Line 16, Line 23, and Line 26) .............................................. $
28. Credit for Contributions to Nonprofit Scholarship-Funding Organizations. .... $
29. DOR Credit Memo Issued (attach original credit memo) .......................... $
30. Total Tax Due .................................................................................................................. $
31. Penalty ............................................................................................................................. $
32. Interest ............................................................................................................................. $
33. Total Due with Return ........................................................................................................ $

Under penalties of perjury, I declare that I have read the foregoing and the facts stated in it are true.

Signature of officer Title Phone number Date

Signature of preparer Address of preparer Phone number Date

Do Not Detach Coupon

Oil Production Monthly Tax Return

Enclose your payment coupon and check with your tax return to ensure your account is properly credited.

Return is due on the 25th day of the following month.

Under penalties of perjury, I declare that I have read the foregoing and the facts stated in it are true.

Signature of officer Title Phone number Date

Signature of preparer Address of preparer Phone number Date

Do Not Detach Coupon

Oil Production Monthly Tax Return

Enclose your payment coupon and check with your tax return to ensure your account is properly credited.

Return is due on the 25th day of the following month.

Under penalties of perjury, I declare that I have read the foregoing and the facts stated in it are true.

Signature of officer Title Phone number Date

Signature of preparer Address of preparer Phone number Date

Do Not Detach Coupon
# SCHEDULE I - Ordinary Oil Production (8%)

<table>
<thead>
<tr>
<th>COUNTY NAME</th>
<th>COUNTY TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total Barrels Produced</td>
<td></td>
</tr>
<tr>
<td>2. EXEMPTION - Barrels used in lease operations on the lease or unit where produced</td>
<td></td>
</tr>
<tr>
<td>3. Taxable Barrels (Line 1 minus Line 2)</td>
<td></td>
</tr>
<tr>
<td>4. Value Per Barrel (Round to the nearest hundredths)</td>
<td></td>
</tr>
<tr>
<td>5. Taxable Value (Line 3 times Line 4)</td>
<td></td>
</tr>
<tr>
<td>6. Total Taxable Value (Line 5) for all counties.</td>
<td>$</td>
</tr>
<tr>
<td>7. Tax Rate</td>
<td>8% of value</td>
</tr>
</tbody>
</table>
| 8. Gross Tax Due (Multiply Line 6 times Line 7) | $

# SCHEDULE II - Small Well (5%)

<table>
<thead>
<tr>
<th>COUNTY NAME</th>
<th>COUNTY TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Total Barrels Produced</td>
<td></td>
</tr>
<tr>
<td>10. EXEMPTION - Barrels used in lease operations on the lease or unit where produced</td>
<td></td>
</tr>
<tr>
<td>11. Taxable Barrels (Line 9 minus Line 10)</td>
<td></td>
</tr>
<tr>
<td>12. Value Per Barrel (Round to the nearest hundredths)</td>
<td></td>
</tr>
<tr>
<td>13. Taxable Value (Line 11 times Line 12)</td>
<td></td>
</tr>
<tr>
<td>14. Total Taxable Value (Line 13) for all counties.</td>
<td>$</td>
</tr>
<tr>
<td>15. Tax Rate</td>
<td>5% of value</td>
</tr>
<tr>
<td>16. Gross Tax Due (Multiply Line 14 times Line 15)</td>
<td>$</td>
</tr>
</tbody>
</table>
## SCHEDULE III - Tertiary and Mature Field Recovery Oil Production (rate varies)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>County Name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Total Barrels Produced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>EXEMPTION - Barrels used in lease operations on the lease or unit where produced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Taxable Barrels (Line 17 minus Line 18)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Value Per Barrel (Round to the nearest hundredths)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>21.</td>
<td>Taxable Value (Multiply Line 19 by Line 20)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tax Calculation**

<table>
<thead>
<tr>
<th></th>
<th>Tax Due (See Schedule III Instructions - Multiply Line 19 times the tiered value per barrel times the tiered tax rate. Enter the result on Line 22a, 22b, or 22c under the appropriate row and column.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22a.</td>
<td>Tax Due - Value of oil is $60 and below (Line 19 times the applicable value, not to exceed $60 times 1 percent)</td>
</tr>
<tr>
<td>22b.</td>
<td>Tax Due - Value of oil is greater than $60 and less than $80 (Line 19 times the applicable value, not to exceed $19.99, times 7 percent.)</td>
</tr>
<tr>
<td>22c.</td>
<td>Tax Due - Value of oil is $80 and above (Line 19 times the applicable value times 9 percent)</td>
</tr>
</tbody>
</table>

|   | Gross Tax Due for All Counties (Line 22a plus 22b plus 22c) | $ |

## SCHEDULE IV - Escaped Oil (12.5%)  

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>24.</td>
<td>Gross Value of any Escaped Oil</td>
</tr>
<tr>
<td>25.</td>
<td>Tax Rate</td>
</tr>
<tr>
<td>26.</td>
<td>Gross Tax Due (Multiply Line 24 times Line 25)</td>
</tr>
</tbody>
</table>
Instructions for Filing Oil Production Monthly Tax Return

Who Must File? Every producer of oil in Florida must file a monthly tax return. Producers must file a return even if no tax is due. Producer means any person who:

- Owns, controls, manages, or leases oil property.
- Owns, controls, manages, or leases oil wells.
- Produces any taxable oil products.
- Owns any royalty or other interest in any taxable product (consistent with oil production) or its value, whether the taxable product is produced by, or on behalf of someone under a lease contract or otherwise.

Return Due Date? The monthly return is due on or before the 25th day of the month following the month production occurred. If the due date falls on a Saturday, Sunday, or state or federal holiday, returns and payments will be considered timely if postmarked on the next business day. Late-filed returns are subject to penalty and interest.

Late Returns: If your return and payment are late, a delinquency penalty of 10 percent of any tax due will be added for each month, or portion of a month, the return is late. The maximum delinquency penalty cannot exceed 50 percent of the tax due. A minimum penalty of $50 per month, or portion of a month, applies even if no tax is due. This penalty cannot exceed $300. A floating rate of interest applies to underpayments and late payments of tax. Interest rates are updated January 1 and July 1 of each year using the formula established in Florida Statutes. To obtain updated interest rates, visit the Department’s website at floridarevenue.com/taxes/rates or contact Taxpayer Services at 850-488-6800.

Electronic Funds Transfer (EFT): Any taxpayer who paid more than $20,000 in severance taxes between July 1 and June 30 (the state’s fiscal year), must pay their taxes by Electronic Funds Transfer (EFT) in the next calendar year. More information on EFT requirements and procedures can be found on the Department’s website or you can contact Taxpayer Services (see “Contact Us”).

Amended returns: If you are filing an amended return, use the Oil Production Monthly Amended Tax Return (Form DR-145X). Do not resubmit Form DR-145.

Credit for Contributions to Nonprofit Scholarship-Funding Organizations (SFOs): A credit is available against severance tax on oil production for contributions to nonprofit scholarship-funding organizations (SFOs). More information about this credit and how to submit your Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations (Form DR-116000) is posted at floridarevenue.com/forms. The Department of Revenue must approve an allocation of this credit before it can be taken. One hundred percent of an eligible contribution is allowed as a credit, but the amount of the credit taken may not exceed 50 percent of the gross tax due reported on Line 27 of the return. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years. For tax years beginning prior to January 1, 2018, the unused credit can be carried forward no more than five (5) years.

Instructions for Completing the Return

Schedule I:
Complete this schedule to report production of ordinary oil subject to the eight percent tax rate. Ordinary oil includes all oil that does not qualify as tertiary or small well oil.

For each county, in separate columns, enter the gross production, exemptions, and value per barrel. Calculate the taxable barrels for each county and enter the results on Line 3. Multiply the taxable barrels by the value per barrel and enter the results on Line 5. Add each taxable value listed on Line 5, and enter the result on Line 6. Multiply the total taxable value by the tax rate (8 percent) and enter the result on Line 8 (Gross Tax Due).

Schedule II:
Use this schedule to report small well oil produced in Florida for sale, transport, storage, profit, or commercial use.

For each county, in separate columns, enter the gross production, exemptions, and value per barrel. Calculate the taxable barrels for each county and enter the results on Line 11. Multiply the taxable barrels by the value per barrel and enter the results on Line 13. Add each taxable value listed on Line 13, and enter the result on Line 14. Multiply the total taxable value by the tax rate (5 percent) and enter the result on Line 16 (Gross Tax Due).

Schedule III:
Use this schedule to report tertiary or mature field oil produced in Florida for sale, transport, storage, profit, or commercial use. Report production, exemptions, and value per barrel under the county in which the oil was severed (Columns A, B, C, and D).

Tax due from tertiary or mature field oil production is calculated using a tiered formula. Tax rates are based on the value per barrel of oil at the time of production. Value is defined as the sale or market price of the oil at the point it reaches the mouth of the well in its natural, unrefined condition.
Tax Rates Based on Tiered Formula:

- One percent is levied on the first $60 of value.
- Seven percent is levied on a value greater than $60 and less than $80.
- Nine percent is levied on a value greater than or equal to $80.

Tax due is determined by multiplying the total number of barrels produced, times the tiered value per barrel, times the tiered tax rate.

Example 1
If 200 barrels of oil were produced and each barrel had a value of $90 at the time of production, tax is calculated as follows:

- 200 barrels times $60 times 1 percent equals $120.
- 200 barrels times $19.99 times 7 percent equals $279.86.
- 200 barrels times $10.01 times 9 percent equals $180.18.

Total tax due in this example equals $580.04.

Example 2
If 200 barrels of oil were produced and each barrel had a value of $50 at the time of production, tax is calculated as follows:

- 200 barrels times $50 times 1 percent equals $100.

Total tax due in this example equals $100.

In separate columns for each county, enter:
- Total Barrels Produced (Line 17).
- Exemption
- Value Per Barrel (Line 20).

Subtract exempt barrels reported on Line 18 from the total barrels reported as produced on Line 17, and enter the result on Line 19 (Taxable Barrels). Multiply Line 19 by the Value Per Barrel (Line 20), and enter the result on Line 21.

Multiply Line 19 times the tiered value per barrel times the tiered tax rate and enter the results on Lines 22a, 22b, or 22c. Add Lines 22a plus 22b plus 22c, and enter the result on Line 23.

Schedule IV:
Complete this schedule to report any escaped oil subject to the 12.5 percent tax rate. Enter the gross value of any escaped oil by multiplying the total barrels by the value per barrel. Multiply the gross value listed on Line 24 by the tax rate (12.5 percent) reported on Line 25, and enter the result on Line 26 (Gross Tax Due).

Front page of return:
Add Line 8 plus Line 16 plus Line 23 plus Line 26 and carry the result (Gross Tax Due) to Line 27, of the return. If the return and payment are late, calculate and add penalty and interest.

To calculate interest, multiply the daily interest factor times Line 30 (Total Tax Due) times the number of days late.

Sign and date the return and mail it with your payment to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

If your payment is made by EFT, be sure to check the EFT box.

Contact Us

Information, forms, and tutorials are available on the Department’s website 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.

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 Receive Email Alerts from the Department.
Subscribe to receive an email for due date reminders, Tax Information Publications (TIPs) or proposed rules, notices of rule development workshops, and more. Subscribe today at floridarevenue.com/dor/subscribe.

Reference: Section 211.02, Florida Statutes
References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms].

| Form DR-145X | Oil Production Monthly Amended Tax Return | Rule 12B-7.008, F.A.C. |
| Form DR-116000 | Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations | Rule 12-29.003, F.A.C. |
Oil Production Monthly Amended Tax Return

Mail to:
Florida Department of Revenue
5050 W. Tennessee Street
Tallahassee Florida 32399-0150

Enclose your payment coupon and check with your tax return to ensure your account is properly credited.

Period Ending M M D D Y Y

Check here if you transmitted funds electronically: [ ]
Enter name and address, if not preprinted:
Name
Address
City/St/ZIP

Certificate #: 
FEIN: 
Applied Period: 

Under penalties of perjury, I declare that I have read the foregoing and the facts stated in it are true.

Signature of officer
Title
Phone number
Date

Signature of preparer
Address of preparer
Phone number
Date

Do Not Detach Coupon
Applied Period: ___________________

### SCHEDULE I - Ordinary Oil Production (8%)

<table>
<thead>
<tr>
<th>County Name</th>
<th>PREVIOUSLY REPORTED</th>
<th>AMENDED</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Taxable Value</td>
<td>Tax Due</td>
</tr>
<tr>
<td></td>
<td>Taxable Barrels</td>
<td>(value x rate)</td>
<td>Produced</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Total Ordinary Oil Net Tax Due/Credit

### SCHEDULE II - Small Well (5%)

<table>
<thead>
<tr>
<th>County Name</th>
<th>PREVIOUSLY REPORTED</th>
<th>AMENDED</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Taxable Value</td>
<td>Tax Due</td>
</tr>
<tr>
<td></td>
<td>Taxable Barrels</td>
<td>(value x rate)</td>
<td>Produced</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Total Small Well Net Tax Due/Credit

### SCHEDULE III - Tertiary and Mature Field Recovery Oil Production
- Value per barrel is $60 and below – (1%)
- Value per barrel is greater than $60 and less than $80 – (7%)
- Value per barrel is $80 and above – (9%)

<table>
<thead>
<tr>
<th>County Name</th>
<th>PREVIOUSLY REPORTED</th>
<th>AMENDED</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production</td>
<td>Taxable Value</td>
<td>Tax Due</td>
</tr>
<tr>
<td></td>
<td>Taxable Barrels</td>
<td>(value x rate)</td>
<td>Produced</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Total Tertiary and Mature Field Oil Net Tax Due/Credit

### SCHEDULE IV - Escaped Oil (12.5%)

<table>
<thead>
<tr>
<th>PREVIOUSLY REPORTED</th>
<th>AMENDED</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Value</td>
<td>Gross Value</td>
<td>Gross Value</td>
</tr>
</tbody>
</table>

2. Total Escaped Oil Net Tax Due/Credit
General Instructions

Use this form (DR-145X) to amend the amounts previously reported on the Oil Production Monthly Tax Return (Form DR-145). A separate return is required for each applied period you amend.

Who Must File? Every producer of oil in Florida must file a monthly tax return (DR-145). Producers must file a return even if no tax is due. Producer means any person who:

- Owns, controls, manages or leases oil property.
- Owns, controls, manages or leases oil wells.
- Produces any taxable oil products.
- Owns any royalty or other interest in any taxable product (consistent with oil production) or its value, whether the taxable product is produced by, or on behalf of someone under a lease contract or otherwise.

Return Due Date: Your payment (if applicable), returns, and schedules are due to the Department on the 25th day of the month after the oil was produced. Your DR-145 is late if the return and payment are received or postmarked after the 25th day of the month following the production period. If the 25th is a Saturday, Sunday, or state or federal holiday, your return and payment must be received or postmarked on the next business day, even if no tax is due.

Amended Return Due Date: An Oil Production Monthly Amended Tax Return (Form DR-145X) is due when there are changes to the oil production figures or errors in the calculations submitted with the original monthly return. An amended return must be filed if there are corrections to be made to tax returns that were submitted within three (3) years before the date the error was discovered.

A claim for refund or credit must be filed within three (3) years after the date the tax was paid.

Late Returns: If you amend your return to report production that results in additional tax due, a delinquency penalty of 10 percent of the tax due will be assessed for each month, or portion of a month, the return is late. The maximum penalty cannot exceed 50 percent of the tax due. A minimum penalty of $50 per month, or portion of a month, applies even if no tax is due; this penalty cannot exceed $300. A floating rate of interest applies to underpayments and late payments of tax. The Department updates the rates January 1 and July 1 of each year by using the formula established in Florida Statutes. To obtain interest rates, go to the Department’s website at floridarevenue.com/taxes/rates.

Electronic Funds Transfer (EFT): Any taxpayer who paid more than $20,000 in severance taxes between July 1 and June 30 of the state’s previous fiscal year, must send in their taxes by electronic funds transfer (EFT) in the next calendar year. For more information on EFT requirements and procedures, visit the Department’s website or contact Taxpayer Services at 850-488-6800.

Credit for Contributions to Nonprofit Scholarship-Funding Organizations (SFOs)

A credit is available against severance tax on oil production for contributions to nonprofit scholarship-funding organizations (SFOs). More information about this credit and how to submit your Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations (Form DR-116000) is posted at floridarevenue.com/forms.

The Department of Revenue must approve an allocation of this credit before it can be taken. One hundred percent of an eligible contribution is allowed as a credit, but the amount of the credit taken may not exceed 50 percent of the gross tax due reported on Line 1 of the return. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years. For tax years beginning prior to January 1, 2018, the unused credit can be carried forward no more than five (5) years.

Instructions for Completing an Oil Production Monthly Amended Return

Name, Address, Federal Employee Identification Number (FEIN), and Applied Period:
Enter your name, address, FEIN, and applied period being amended on the front of the form. Also enter the applied period at the top of page 2.

Complete Schedules I, II, and III

Previously Reported - Enter the number of taxable barrels produced, taxable value, and tax due as reported on the original or last amended return for the month. Report the net results of all previously filed returns if amended returns were filed for this period.

Amended – Enter the revised number of taxable barrels produced, taxable value, and tax due for the month.

Net Change –

- Subtract the amended taxable barrels produced from the taxable barrels that were reported on the previous return and enter the result.
- Subtract the amended taxable value from the taxable value that was reported on the previous return and enter the result.
- Subtract the amended tax due from the tax due that was reported on the previous return and enter the result.

Separate lines are required for each county of production.

Complete Schedule IV

Previously Reported – Enter the gross value as previously reported on the original return. Gross value means the total barrels of escaped oil produced times the value per barrel.

Amended – Enter the revised gross value for the month.
Net Change –
• Subtract the amended gross value from the gross value reported on the previous return and enter the result.
• Multiply the net change in gross value by the tax rate and enter the result under Net Tax Due/Credit.

Note: The tax rate on the production of oil is measured by the method of extraction and the value per barrel. Value is defined as the sale or market price of the oil at the point it reaches the mouth of the well in its natural, unrefined condition. The following tax rates apply:
• Ordinary Oil Production (Schedule I) – 8 percent
• Small Well Production (Schedule II) – 5 percent
• Tertiary/Mature Field Oil (Schedule III) - A tax rate of 1 percent is levied on the first $60 of value, 7 percent on a value greater than $60 and less than $80, and 9 percent on a value greater than or equal to $80. Tax due is determined by multiplying the total barrels produced times the tiered value per barrel times the tiered tax rate.

Example 1 - 200 barrels of oil were produced and had a value of $90 per barrel at the time of production. Tax is calculated as follows:
• 200 barrels times $60 times 1 percent equals $120.
• 200 barrels times $19.99 times 7 percent equals $279.86
• 200 barrels times $10.01 times 9 percent equals $180.18
Total tax due in this example equals $580.04

Example 2 - 200 barrels of oil were produced and had a value of $50 per barrel at the time of production. Tax is calculated as follows:
• 200 barrels times $50 times 1 percent equals $100.
Total tax due in this example equals $100.
• Escaped Oil Production (Schedule IV) – 12.5 percent

Complete the front of return:
Line 1 Carry forward to page 1, Line 1, the net change in tax due reported on Schedules I, II, III, and/or IV.

Line 2 Enter the approved credit for contributions made to nonprofit scholarship-funding organizations. The credit cannot exceed 50 percent of the gross tax due.

Line 3 Enter the amount of any outstanding credit memos issued by the Department of Revenue. You must attach the original credit memos to the back of this return.

Line 4 Subtract the sum of Lines 2 and 3 from Line 1.

Line 5 Calculate penalty if your amended return was not timely filed. The penalty rate is 10 percent per month, or portion of a month, not to exceed 50 percent of the tax due. Then multiply the total due on Line 4, by the penalty rate.

Line 6 A floating rate of interest applies to underpayments and late payments of tax. The Department updates the rate January 1 and July 1 of each year by using the formula established in Florida Statutes. To obtain interest rates, visit the Department’s website at floridarevenue.com/taxes/rates.

Line 7 Add Lines 4, 5, and 6 and enter the result. If you have overpaid, you may choose to have a credit memo issued or request a refund. We will pay interest on refunds if the overpayment of tax has not been paid or credited within 90 days of receipt of a complete application for refund. A complete application must contain documentation establishing the overpayment. Interest paid by the Department will be computed beginning on the 91st day based on a statutory floating interest rate that may not exceed 11 percent.

Sign and date your amended return and mail it with your payment to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

If your payment is made by EFT, be sure to check the EFT box.

Contact Us

Information, forms, and tutorials are available on the Department’s website 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.

For written replies to tax questions, write to:
Taxpayer Services - Mail Stop 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

Subscribe to Receive Email Alerts from the Department.
Subscribe to receive an email for due date reminders, Tax Information Publications (TIPs) or proposed rules. Subscribe today at floridarevenue.com/dor/subscribe.

Reference: Section 211.02 Florida Statutes
**References**

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

<table>
<thead>
<tr>
<th>Form DR-145</th>
<th>Oil Production Monthly Tax Return</th>
<th>Rule 12B-7.008, F.A.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form DR-116000</td>
<td>Florida Tax Credit Scholarship Program Application for Tax Credit Allocation for Contributions to Nonprofit Scholarship-Funding Organizations</td>
<td>Rule 12-29.003, F.A.C.</td>
</tr>
</tbody>
</table>
Return Due: Late After:

Who Must File a Return?
Any lime rock or sand miner, or its subsidiary or affiliate, who extracts and sells lime rock or sand product from within the Miami-Dade County Lake Belt Area and Township is required to file this return.

What Fees are Paid on this Return?
This form is used to calculate the Miami-Dade County Lake Belt Mitigation Fee. This fee is imposed on each ton of lime rock and sand extracted in its raw, processed, or manufactured form from within the Miami-Dade County Lake Belt Area and Township. A lime rock or sand miner, or its subsidiaries or affiliates, who sells lime rock or sand products is required to collect the mitigation fee and forward the proceeds to the Department of Revenue.

Instructions for filing this tax return.

Line 1: Enter the total tons of limerock and sand extracted and sold or transferred during the collection period.

Line 2: The fee rate is printed on Line 2 of the return.

Line 3: Multiply Line 1 by Line 2 and enter the result.

Line 4: Less DOR Credit Memo. Enter the amount of any mitigation and water treatment plant upgrade fee credit memos issued by the Department.

Line 5: Fee Due. Enter the result of Line 3 minus Line 4.

Line 6: Plus Penalty. If you are late filing your return or paying the fees due, add a late penalty of 10 percent of the amount owed, but no less than $50. The $50 minimum penalty applies even if a “zero return” is filed.

Line 7: Plus Interest. Calculate interest from the LATE AFTER date on the front of the tax return until the date the tax return will be postmarked by the U.S. Postal Service or hand delivered to the Department. A floating rate of interest applies to underpayments and late payments. The rate is updated January 1 and July 1 of each year. For current and prior period interest rates, visit floridarevenue.com/taxes/rates.

Line 8: Total Due with Return. Enter the total of Lines 5, 6, and 7 on Line 8. This is the amount you owe. Make your check or money order payable to the Florida Department of Revenue.

Information, forms, and tutorials are available on the Department’s website at floridarevenue.com.

If you need more information or have questions, call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

---

### Miami-Dade County Lake Belt Mitigation Fees Return

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tons of Limerock and Sand Extracted and Sold or Transferred</td>
</tr>
<tr>
<td>2.</td>
<td>Fee Rate (see instructions)</td>
</tr>
<tr>
<td>3.</td>
<td>Total (Line 1 times Line 2)</td>
</tr>
<tr>
<td>4.</td>
<td>Less DOR Credit Memo</td>
</tr>
<tr>
<td>5.</td>
<td>Fee Due (Line 3 - Line 4)</td>
</tr>
<tr>
<td>6.</td>
<td>Plus Penalty (see instructions for rates)</td>
</tr>
<tr>
<td>7.</td>
<td>Plus Interest (see Instructions for rates)</td>
</tr>
<tr>
<td>8.</td>
<td>Total Due with Return (Add Lines 5, 6, and 7)</td>
</tr>
</tbody>
</table>

**Detach coupon and return with payment**
When is the tax return due and payable?
Returns and payments are due by the 20th day of the month following each collection period. If the 20th falls on a Saturday, Sunday, or a state or federal holiday, your return must be postmarked or hand delivered to the Department on the first day of business following the 20th. You must file a tax return, even if no tax is due. Late-filed returns are subject to penalty and interest.

Taxpayers who pay tax electronically can find the Florida e-Services Calendar of Electronic Payment Deadlines (DR-659) and other e-Services program information on the Department’s website.

Sign and date the tax return. The return must be signed by a person who is authorized to sign on behalf of the provider.

Mail your return and payment to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

Electronic Funds Transfer (EFT): Florida law requires certain taxpayers to pay taxes and file tax returns electronically. For information about electronic payment and filing requirements and procedures or to enroll, go to the Department’s website at floridarevenue.com.

Information and forms are available on the Department’s website at floridarevenue.com.
If you need more information or have questions, call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

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

Change of Information - Miami-Dade County Lake Belt Mitigation Fees

☐ The legal entity changed on ____/____/____. If you change your legal entity and are continuing to do business in Florida, you must notify the Department of any changes by calling Taxpayer Services at 850-488-8600, Monday through Friday (excluding holidays).

☐ The business was closed permanently on ____/____/____. (The Department will cancel your certificate number as of this date.)

☐ Are you a corporation/partnership required to file a corporate income tax return? ☐ Yes ☐ No

☐ The business will close/was closed temporarily on ____/____/____. I plan to reopen on ____/____/____.

☐ Forwarding Address: __________________________ State: __________ ZIP: __________

☐ This year only

☐ Recurring every year

☐ The business was sold on ____/____/____. The new owner information is:

☐ Name of New Owner: __________________________ Telephone Number of New Owner: (_______)

☐ Mailing Address of New Owner: __________________________

☐ City: __________ County: __________ State: __________ ZIP: __________

Certificate Number ___________ ___________ ___________ ___________ FEIN __________ ___________ ___________ ___________ ___________

Business Partner Number ___________ ___________ ___________ ___________ ___________

☐ Signature of Taxpayer (Required): __________________________ Date: __________ Telephone Number: (_______) __________

Detach coupon and return with payment

Under penalties of perjury, I declare that I have read this return and the facts stated in it are true.

Signature of Taxpayer __________________________ Date __________________________

Signature of Preparer __________________________ Date __________________________
SUMMARY OF PROPOSED RULE

The proposed amendments to Rule 12B-8.003, F.A.C., adopt, by reference, changes to five forms used in the administration of insurance premium taxes, fees, and surcharges. These changes implement the provisions of Section 15, Chapter 2018-6, L.O.F.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The proposed changes are necessary to implement statutory changes.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, pp. 3095-3096), to advise the public of the proposed changes to Rule 12B-8.003, F.A.C., and to provide that, if requested in writing, a rule
development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

**SUMMARY OF PUBLIC MEETING**

**AUGUST 14, 2018**

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rule 12B-8.003, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).

**SUMMARY OF RULE HEARING**

**OCTOBER 10, 2018**

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4218-4219), to advise the public of the proposed changes to Rule 12B-8.003, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held.

Written comments were received from the staff of the Joint Administrative Procedures Committee. A notice of change was published in the Florida Administrative Register on November 8, 2018, (Vol. 44, No. 219, pp. 5156-5157), providing requested changes. The changes to Rule 12B-8.003, F.A.C, correct the names of two forms. The final rule language presented for adoption today reflects these changes.
SUMMARY OF RULE HEARING

NOVEMBER 7, 2018

A Notice of Hearing was published in the Florida Administrative Register on October 26, 2018 (Vol. 44, No. 210, pp. 4948-4949), to advise the public of a hearing to present changes to jurisdictions found on forms DR-908 and DR-350900. The notice of change published on November 8, 2018, also provides these changes to jurisdictions. The final forms presented for adoption today reflect these changes.
12B-8.003 Tax Statement; Overpayments.

(1) through (3) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4)(a) DR-907</td>
<td>Florida Insurance Premium Installment Payment (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08983">http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08983</a>)</td>
<td></td>
</tr>
<tr>
<td>(b) DR-907N</td>
<td>Instructions for Filing Insurance Premium Installment Payment (Form DR-907) (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08983">http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08983</a>)</td>
<td></td>
</tr>
<tr>
<td>(5)(a) DR-908</td>
<td>Insurance Premium Taxes and Fees Return for Calendar Year 2018 2017 (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08984">http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08984</a>)</td>
<td></td>
</tr>
<tr>
<td>(b) DR-908N</td>
<td>Instructions for Preparing Form DR-908 Florida Insurance Premium Taxes and Fees Return (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08985">http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08985</a>)</td>
<td></td>
</tr>
<tr>
<td>(6) DR-350900</td>
<td>2018 2017 Insurance Premium Tax Information for Schedules XII and XIII, Form DR-908 (R. 01/18)</td>
<td>01/19 01/18</td>
</tr>
<tr>
<td></td>
<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08986">http://www.flrules.org/Gateway/reference.asp?No=Ref-_______08986</a>)</td>
<td></td>
</tr>
</tbody>
</table>
Rulemaking Authority 213.06(1) FS. Law Implemented 92.525, 175.041, 175.101, 175.1015, 175.111, 175.121, 175.141, 175.151, 185.02, 185.03, 185.08, 185.085, 185.09, 185.10, 185.12, 185.13, 213.05, 213.053, 213.235, 213.37, 220.183, 220.191, 252.372, 288.99 (2010), 440.51, 443.1216, 624.11, 624.402, 624.4094, 624.4621, 624.4625, 624.475, 624.501, 624.509, 624.5091, 624.5092, 624.50921, 624.510, 624.5105, 624.511, 624.515, 624.516, 624.518, 624.519, 624.520, 624.521, 624.601, 624.610, 626.7451(11), 627.311, 627.351, 627.3512, 627.357(9), 627.7711, 627.943, 628.6015, 629.401, 629.5011, 632.626, 634.131, 634.313(2), 634.415(2), 636.066, 642.0301, 642.032 FS., History–New 2-3-80, Formerly 12B-8.03, Amended 3-25-90, 3-10-91, 2-18-93, 6-16-94, 12-9-97, 3-23-98, 7-1-99, 10-15-01, 8-1-02, 5-4-03, 9-28-04, 6-28-05, 6-20-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 1-12-11, 1-25-12, 1-17-13, 1-20-14, 1-20-15, 1-11-16, 1-10-17, 1-17-18,_____.

2
Florida Insurance Premium Installment Payment

<table>
<thead>
<tr>
<th>HD/PM Date:</th>
<th>DR-907 R. 01/19</th>
</tr>
</thead>
</table>

1. Premium tax payable

<table>
<thead>
<tr>
<th>US Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

2. Surcharge
   a. commercial policies
      # ___________________ x $4
      |            |
   b. residential policies
      # ___________________ x $2
      |            |

3. Interest

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

4. Penalty

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

5. Quarterly statement filing fee

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

6. Amount due

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
Complete each line using the line-by-line instructions.

**Line 1 Premium Tax Payable** — Enter the amount of installment payment due. See instructions.

**Line 2 Surcharge** — Enter the number of commercial policies on Line 2a and multiply by $4.00. Enter the number of residential policies on Line 2b and multiply by $2.00.

**Line 3 Interest** — Compute any interest due with this installment payment. Interest is calculated with a floating rate.

**Line 4 Penalty** — Compute any penalty due with this installment payment.

**Line 5 Quarterly Statement Filing Fee** — Enter your $250 quarterly statement filing fee.

Prepaid limited health service organizations, fraternal benefit societies, and legal expense insurance corporations must report and pay their quarterly/annual statement filing fees to the Office of Insurance Regulation.

---

**Signature of Officer**

Complete each line using the line-by-line instructions.

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Front of Form: Verify the personalized information printed on the front of the form. If you are using a blank form, enter your FEIN and Florida Code in the spaces provided and print or type your name and address in the space under payment due date. Check the box if you made your payment electronically.

Mail form and payment to:
FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE STREET
TALLAHASSEE FL 32399-0150
When is the installment payment due and payable? Installments of tax are due and payable on April 15, June 15, and October 15 of each year. A final payment of tax due for the year must be made at the time the taxpayer files the return (Form DR-908) for the year.

An installment will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. If the due date falls on a Saturday, Sunday, or state or federal holiday, the installment will be considered timely filed if it is postmarked the next business day.

What are the installment payments based on? Installments are based on the estimated gross amount of receipts of insurance premiums or assessments received during the immediately preceding calendar quarter. The second quarter installment due June 15 (not July 15) requires the estimate to be through June 30. All of the taxes reported on Form DR-908 are subject to installment payment requirements, not just the insurance premium tax reported on Schedule I of Form DR-908. Because of the complexities of computing the standard 90 percent installment payment for all of the taxes reported on Form DR-908, most insurers use the safe harbor of paying 27 percent of the tax due in the preceding year for each installment payment. If each installment is 27 percent of the amount of the annual tax reported on the preceding year’s Form DR-908 (Line 11 minus Line 9 and Line 10), there will be no installment penalty. The installment amounts that must be paid to meet the prior year exception are decreased by the amount of the Florida Tax Credit Scholarship Program credits earned during the tax year for making contributions to nonprofit scholarship funding organizations (SFOs). Contributions must be made on or before the installment due date to decrease the amount that must be paid to meet the prior year exception. For example, an insurer that paid $100,000 in insurance premium tax, after credits, last year is required to remit $27,000 by April 15, another $27,000 for a total of $54,000 by June 15, and another $27,000 for a total of $71,000 by October 15 of the year. The amount required to be remitted by each installment due date to meet the prior year exception is reduced by the Florida Tax Credit Scholarship Program credits earned during the tax year and received a certificate under the Florida Tax Credit Scholarship Program from the nonprofit SFO. It would not need to make any installment payment to meet the prior year exception for the first installment, but it would need to remit $4,000 or earn another Florida Tax Credit Scholarship Program credit of at least $4,000 by June 15 to meet the prior year exception for the second installment and would need to remit a total of $31,000 or earn Florida Tax Credit Scholarship Program credits of at least $31,000 by October 15 to meet the prior year exception for the third installment.

Penalty for Underpayment/Late Filing of Insurance Premium Tax Installment Payments:
Any taxpayer who fails to report and timely pay any installment of tax, who estimates any installment of tax to be less than 90 percent of the amount finally shown to be due in any quarter, and/or who fails to report and timely pay any tax due with the final return is subject to a penalty of 10 percent on any underpayment of taxes or delinquent taxes due and payable for that quarter and/or on any delinquent taxes due and payable with the final return.

Interest for Underpayment/Late Filing of Insurance Premium Tax Installment Payments:
Interest accrues when a taxpayer fails to pay any amount due on or before the due date. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in section 213.235, Florida Statutes. For current and prior year interest rates, visit the Department’s website or contact Taxpayer Services (see “Contact Us”).

Where to Mail Your Form and Payment:
Mail your completed Form DR-907 and payment to:
Florida Department of Revenue
5050 W Tennessee Street
Tallahassee FL 32399-0150

Electronic Filing:
You are able to file and pay insurance premium tax electronically using the Department’s secure website. If you paid $20,000 or more in tax during the State of Florida’s prior fiscal year (July 1 – June 30), you are required to file and pay electronically. Insurers are encouraged to file electronically and take advantage of the opportunity to save resources. Insurers can obtain a waiver by calling 850-488-6800. Please visit the Department’s website at floridarevenue.com for more information.

Account Changes
If you change your business name, location or mailing address, or close or sell your business, immediately notify the Department. The quickest way to notify us is online. Go to: floridarevenue.com/taxes/updateaccount, then select “Change address or account status.”

Contact Us:
Information, forms, and tutorials are available on the Department’s website at: floridarevenue.com

If you have any questions, contact 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

For a written reply to tax questions, write:
Taxpayer Services - MS 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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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 floridarevenue.com/subscribe

Reference
The following document was mentioned in this form and is incorporated by reference in the rule indicated below.
The form is available online at floridarevenue.com/forms.

Form DR-908 Insurance Premium Taxes and Fees Return Rule 12B-8.003, F.A.C.
Florida Department of Revenue
Insurance Premium Taxes and Fees Return
For Calendar Year 2018

Computation of Insurance Premium Taxes and Fees

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>US Dollars</th>
<th>Cents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Premium Tax Due (Schedule I)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Credits Against the Tax (Schedule III)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Net Premium Tax Due (If Line 1 minus Line 2 equals less than zero, enter zero)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>State Fire Marshal Regulatory Assessment (Schedule X)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Wet Marine and Transportation Tax (Schedule XI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Firefighters' Pension Trust Fund (Schedule XII)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Municipal Police Officers’ Retirement Trust Fund (Schedule XIII)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Retaliatory Tax (Schedule XIV)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Filing Fees (Note: Prepaid limited health service organizations, legal expense insurance corporations, and fraternal benefit societies must report and pay all filing fees to the Office of Insurance Regulation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Commercial/Residential Policy Surcharge (Schedule XVI) plus Payment Due from Refund (Schedule XVII)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Total Tax Due (Sum of Line 3 through Line 10)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Form DR-908 is a machine-readable form. Please follow the hand print or machine print instructions. Use black ink.

If hand printing this document, print your numbers as shown and write one number per box. Write within the boxes. 0123456789

If typing this document, type through the boxes and type all of your numbers together. 0123456789

Payment Coupon 2018 Insurance Premium Taxes and Fees

To ensure proper credit to your account, enclose your check with tax return when mailing.

Do not detach coupon.

Return is due March 1, 2019
   1st Quarter ______________________ 2nd Quarter ______________________ 3rd Quarter ______________________
   If amended return: Add amount paid with the original return ______________________
   Deduct amount refunded with the original return (____________________)

   Total Installment Payments ................................................................. 12. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

13. Net Tax Due or Overpayment (Line 11 minus Line 12) .................................................. 13. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

14. Penalty (10% Late Penalty) ..................................................................................... 14. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

15. Interest (See instructions) .......................................................................................... 15. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

16. Amount Due With This Return. Enter on payment coupon also.
   (Sum of Lines 13, 14, and 15. If less than zero, enter on Line 17) ........................................ 16. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

17. Overpayment to be Refunded. Enter on payment coupon also ........................................ 17. \[ \text{US Dollars} \] \[ | \text{Cents} | \]

All Taxpayers Are Required to Answer Questions A and B Below as Appropriate.

A. Is the insurer a member of an affiliated group whose parent company made a timely election, which included the insurer, for the alternative salary credit calculation under section (s.) 624.509(5)(a)2., Florida Statutes (F.S.)? (Refer to Schedule IV instructions for more information.)
   □ YES  □ NO

B. Did you use the Department's address database or third party software, where the software company indicated that they used the Department's address database, when you sourced your premiums to the local taxing jurisdictions reported on Schedule XII and/or Schedule XIII? (Refer to Schedule XII and XIII instructions for more information.)
   □ Department's database
   □ Software company's product where the software company indicated that they used the Department's address database
   □ NO

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign here

Signature of officer (must be an original signature) \[ \text{Date} \] \[ \text{Title} \]

Preparer's signature \[ \text{Date} \]

Preparer check if self-employed

Preparer's

PTIN

FEIN

ZIP

Prepared

only

Paid

Firm's name (or yours if self-employed) and address

Only

1. Have you signed your check?
2. Have you signed your return?
3. Have you attached the Florida Business Page of the Annual Statement filed with the Florida Department of Financial Services?

Make check payable and mail to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0150

For refunds, mail to:
Florida Department of Revenue
PO Box 6440
Tallahassee FL 32314-6440
# SCHEDULE I

**COMPUTATION OF INSURANCE PREMIUM TAX**

(Not To Be Used for Wet Marine and Transportation Tax)

*** Include the Florida Business Page of Your Florida Annual Statement ***

<table>
<thead>
<tr>
<th>Types of Insurance</th>
<th>Total Premiums</th>
<th>Tax Rate</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Property/Casualty/Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Plus: Additional Taxable Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Less: Excluded Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Total Taxable Premiums</td>
<td></td>
<td>1.75%</td>
<td></td>
</tr>
<tr>
<td>2. Life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Plus: Additional Taxable Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Less: Excluded Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Total Taxable Premiums</td>
<td></td>
<td>1.75%</td>
<td></td>
</tr>
<tr>
<td>3. Accident and Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Plus: Additional Taxable Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Less: Excluded Premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Total Taxable Premiums</td>
<td></td>
<td>1.75%</td>
<td></td>
</tr>
<tr>
<td>4. Prepaid Limited Health Service Organizations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Commercial Self-Insurance Funds</td>
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<td>1.60%</td>
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</tr>
<tr>
<td>6. Group Self-Insurance Funds</td>
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<td>1.60%</td>
<td></td>
</tr>
<tr>
<td>7. Medical Malpractice Self-Insurance</td>
<td></td>
<td>1.60%</td>
<td></td>
</tr>
<tr>
<td>8. Assessable Mutual Insurers</td>
<td></td>
<td>1.60%</td>
<td></td>
</tr>
<tr>
<td>9. Corporation Not-for-Profit Self-Insurance Funds</td>
<td></td>
<td>1.60%</td>
<td></td>
</tr>
<tr>
<td>10. Public Housing Authorities Self-Insurance Funds</td>
<td></td>
<td>1.60%</td>
<td></td>
</tr>
<tr>
<td>11. Annuity Premiums (Schedule II, Line 3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Total Premium Tax Due (Add Lines 1c, 2c, 3c, and 4 through 11. Enter here and on Page 1, Line 1)*</td>
<td></td>
<td></td>
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</tbody>
</table>

* If zero or less, enter -0-

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# SCHEDULE II

**ANNUITY CONSIDERATION PREMIUMS**

<table>
<thead>
<tr>
<th>Types of Insurance</th>
<th>Total Premiums</th>
<th>Tax Rate</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Annuity Premiums</td>
<td></td>
<td>1.00%</td>
<td></td>
</tr>
<tr>
<td>2. Premium Tax Savings Derived and Credited to the “Holders” (If none, enter zero &quot;0&quot;)</td>
<td></td>
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</tr>
<tr>
<td>3. Total Annuity Premiums Due (Line 1 minus Line 2. Enter here and on Schedule I, Line 11)*</td>
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</tbody>
</table>

* If zero or less, enter -0-

---

# SCHEDULE III

**CREDITS AGAINST THE PREMIUM TAX**

<table>
<thead>
<tr>
<th>Types of Insurance</th>
<th>Total Premiums</th>
<th>Tax Rate</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Workers’ Compensation Administrative Assessment Credit (Schedule VI, Line 4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Firefighters’ Pension Trust Fund Credit (Schedule XII- B, Line 3, minus credit used Schedule XI, Line 6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Municipal Police Officers’ Retirement Trust Fund Credit (Schedule XIII - B, Line 3 minus credit used Schedule XI, Line 7)</td>
<td></td>
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</tr>
<tr>
<td>4. Eligible Corporate Income Tax Credit (Schedule V, Line 11)</td>
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<tr>
<td>5. Salary Tax Credit (Schedule V, Line 12)</td>
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<tr>
<td>6. Florida Life and Health Insurance Guaranty Association Credit (Schedule VII, Line 1)</td>
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</tr>
<tr>
<td>7. Community Contribution Credit (Total credits approved under s. 624.5105, F.S., minus credit used Schedule XI, Line 8) (Enter here and include on Schedule XIV, Line 12, Column A)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>8. Capital Investment Tax Credit (Enter here and include on Schedule XIV, Line 12, Column A)</td>
<td></td>
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<tr>
<td>9. Florida Tax Credit Scholarship Program Credit (Schedule V, Line 13), (Enter here and include on Schedule XIV, Line 12, Column A)</td>
<td></td>
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<tr>
<td>10. New Markets Tax Credit (Enter here and include on Schedule XIV, Line 12, Column A)</td>
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</tr>
<tr>
<td>11. Total Credits (Sum of Line 1 through Line 10. Enter here and on Page 1, Line 2)</td>
<td></td>
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</tr>
</tbody>
</table>
### SCHEDULE IV: COMPUTATION OF SALARY CREDIT

**Include Your Florida Department of Revenue Forms RT-6 and RTS-71 if Claiming this Credit**

1. Total Premium Tax Due (Schedule I, Line 12)
2. Less: Firefighters’ Pension Trust Fund Credit (Schedule XII - B, Line 3)
3. Municipal Police Officers’ Retirement Trust Fund Credit (Schedule XIII - B, Line 3)
4. Corporate Income Tax Paid (Florida Form F-1120, Line 13)
5. Total (Line 1 minus Line 2 through Line 4)*
6. Eligible Florida Salaries (See Instructions)
7. Multiply Line 6 by .15
8. Salary Credit - (Enter the lesser of Line 5 or Line 7 here and on Schedule V, Line 4)*

*If zero or less, enter -0-

### SCHEDULE V: CORPORATE INCOME, SALARY AND SFO CREDIT LIMITATION

1. Total Corporate Income Tax Paid (Florida Form F-1120, Line 13)**
2. Less: Corporate Income Tax Credit Taken against Wet Marine and Transportation Insurance Tax (Schedule XI, Line 5)
3. Eligible Net Corporate Income Tax (Line 1 minus Line 2)
4. Salary Credit (Schedule IV, Line 8)
5. Total Premium Tax Due (Schedule I, Line 12)
6. Less: Workers’ Compensation Administrative Assessment Credit (Schedule VI, Line 4)
7. Firefighters’ Pension Trust Fund Credit (Schedule XII - B, Line 3)
8. Municipal Police Officers’ Retirement Trust Fund Credit (Schedule XIII - B, Line 3)
9. Premium Tax Due After Deductions (Line 5 minus Lines 6 through 8)
10. Corporate Income Tax and Salary Credit Limitation (Multiply Line 9 by .65)
11. Eligible Net Corporate Income Tax Credit (Enter the lesser of Line 3 or Line 10 here and on Schedule III, Line 4)*
12. Salary Tax Credit (Enter the lesser of Line 4 or the difference between Lines 10 and 11 here and on Schedule III, Line 5)* A reduction to the salary credit may be required if the election under s. 624.509(5)(a)2., F.S., applies (See Instructions).
13. Florida Tax Credit Scholarship Program Credit [Enter the lesser of your 2018 eligible contributions plus carry forward credits or the result of (Schedule V, Line 9 less Lines 11 and 12) here and on Schedule III, Line 9.] Attach copies of the certificates of contribution from each nonprofit scholarship funding organization.

*If zero or less, enter -0-

**If you filed on a consolidated basis for corporate income tax, you MUST include a schedule showing how the credit is claimed by each subsidiary.
### SCHEDULE VI  WORKERS’ COMPENSATION ADMINISTRATIVE ASSESSMENT CREDIT LIMITATION

***Include Your Florida Carrier and Self Insurance Fund Quarterly Premium Reports if Claiming this Credit***

1. **Workers’ Compensation Premiums Written (Annual Statement - Florida Business, Line 16)**
   - Multiply Line 1 by .0175 (Self Insurers multiply by .016)

2. **Administrative Assessments Paid to Workers’ Compensation Trust Fund (Florida Carrier and Self Insurance Fund Quarterly Premium Reports must be attached)**
   - First Quarter Assessment
   - Second Quarter Assessment
   - Third Quarter Assessment
   - Fourth Quarter Assessment

3. **Total Administrative Assessments Paid**

4. **Workers’ Compensation Administrative Assessment Credit**
   - (Enter the lesser of Line 2 or 3 here and on Schedule III, Line 1)

*If zero or less, enter -0-

### SCHEDULE VII  FLORIDA LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT (FLAHIGA)

***Be Sure To Include Your FLAHIGA Certificates of Contribution if Claiming this Credit***

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Class B and C Assessments Paid</th>
<th>- Refunds</th>
<th>= Total Assessments Paid</th>
<th>x Rate</th>
<th>= Credit Amount</th>
<th>Year</th>
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</table>

1. **Total FLAHIGA Credit**

*In 2002, refunds were issued by FLAHIGA from the 1995 and 1998 assessments. These refunds must be subtracted from the original assessments to properly calculate the amount of FLAHIGA credit.

(1) If zero or less, enter -0-
**SCHEDULE X**

**STATE FIRE MARSHAL REGULATORY ASSESSMENT TAX/SURCHARGE**

<table>
<thead>
<tr>
<th>Types of Fire Premiums</th>
<th>Total Premiums</th>
<th>Fire Percentage</th>
<th>Taxable Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fire - Residential</td>
<td></td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>2. *Fire - Commercial</td>
<td>*</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>3. *Commercial Multiple Peril</td>
<td>*</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>4. *Commercial Multiple Peril – Rental Condo Units</td>
<td>*</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>5. *Farmowners Multiple Peril</td>
<td>*</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>6. *Crop</td>
<td>*</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>7. Residential Allied Lines</td>
<td></td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>8. *Commercial Allied Lines</td>
<td>*</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>9. Homeowners Multiple Peril</td>
<td></td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>10. Ocean Marine</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>11. Inland Marine</td>
<td></td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>12. Earthquake</td>
<td></td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>13. Other</td>
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<td></td>
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</tr>
<tr>
<td>14. Total Taxable Premiums (Sum of Line 1 through Line 13)</td>
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</tr>
<tr>
<td>15. State Fire Marshal Tax Due (Multiply Line 14 by .01)</td>
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<tr>
<td>16. *Additional Premiums Subject to Surcharge (See Instructions)</td>
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</tr>
<tr>
<td>17. *Total Premiums Subject to Surcharge (See Instructions)</td>
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<tr>
<td>18. Surcharge Due (Multiply Line 17 by .001)</td>
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<tr>
<td>19. Total State Fire Marshal Tax Due Plus Total Surcharge Due (Line 15 plus Line 18) (Enter here and on Page 1, Line 4)</td>
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</tbody>
</table>

(1) Report the combined total for both the “non-liability” and “liability” portions.

(2) If zero or less, enter -0-

**SCHEDULE XI**

**WET MARINE AND TRANSPORTATION TAX**

<table>
<thead>
<tr>
<th>Types of Premiums</th>
<th>Total Premiums</th>
<th>Taxable Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Net Premiums (See Instructions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Less: Net Losses Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gross Underwriting Profit (Line 1 minus Line 2)*</td>
<td></td>
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</tr>
<tr>
<td>4. Wet Marine and Transportation Tax (Multiply Line 3 by .0075)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Corporate Income Tax Credit (Florida Form F-1120, Line 13. See Instructions)</td>
<td></td>
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<tr>
<td>6. Firefighters’ Pension Trust Fund Credit (Schedule XII-B, Line 3. See Instructions)</td>
<td></td>
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</tr>
<tr>
<td>7. Municipal Police Officers’ Retirement Trust Fund Credit (Schedule XIII - B, Line 3. See Instructions)</td>
<td></td>
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<tr>
<td>8. Community Contribution Credit (Total credits approved under s. 624.5105, F.S. See Instructions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Net Tax Due (Line 4 minus Lines 5 through 8. Enter here and on Page 1, Line 5)*</td>
<td></td>
<td></td>
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</tbody>
</table>

* If zero or less, enter -0-
<table>
<thead>
<tr>
<th>Code</th>
<th>Municipality/ Fire Control District</th>
<th>Total Taxable Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>015</td>
<td>Boca Grande Fire Control Dist.</td>
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</tr>
<tr>
<td>017</td>
<td>Bonita Springs Fire Control Dist.</td>
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<tr>
<td>021</td>
<td>Destin Fire Control District</td>
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<tr>
<td>023</td>
<td>East Lake Tarpon Fire Control Dist.</td>
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</tr>
<tr>
<td>024</td>
<td>Greater Naples Fire Rescue District</td>
<td></td>
</tr>
<tr>
<td>025</td>
<td>East Niceville Fire District</td>
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<tr>
<td>027</td>
<td>Englewood Area Fire Control Dist.</td>
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</tr>
<tr>
<td>033</td>
<td>Holley-Navarre Fire Control District</td>
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<tr>
<td>043</td>
<td>Midway Fire District</td>
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<tr>
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<td>North Bay Fire District</td>
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<td>North Collier Fire Ctrl &amp; Rescue Dist.</td>
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<tr>
<td>053</td>
<td>North River Fire Control District</td>
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</tr>
<tr>
<td>055</td>
<td>Ocean City-Wright Fire Control District</td>
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</tr>
<tr>
<td>057</td>
<td>Okaloosa Island Fire Control District</td>
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</tr>
<tr>
<td>060</td>
<td>Palm Harbor Special Fire Control Dist.</td>
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<tr>
<td>064</td>
<td>San Carlos Park Fire Service Dist.</td>
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<tr>
<td>067</td>
<td>South Walton Fire Control District</td>
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<td>Southern Manatee Fire &amp; Resc. Dist.</td>
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<td>073</td>
<td>St. Lucie County Fire District</td>
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In addition to completing Schedule XII, you must answer Question B on Page 2.

Subtotal from Page 7 .................. 1.  
Subtotal from Page 8 .................. 2.  
Total Tax .................. 3.  
[Line 1 plus Line 2 times 1.85% (.0185). Enter here and on Page 1, Line 6] (If zero or less, enter 0)

Use the physical location of the property when allocating premiums to the fire control district or municipality. Do NOT use ZIP codes. For more information, see instructions.
## SCHEDULE XIII - A

### MUNICIPAL POLICE OFFICERS’ RETIREMENT TRUST FUND

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<td>675</td>
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<td>676</td>
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<tr>
<td>686</td>
<td>North Miami</td>
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**Subtotal**
### SCHEDULE XIII - B  
**MUNICIPAL POLICE OFFICERS’ RETIREMENT TRUST FUND**

<table>
<thead>
<tr>
<th>Code</th>
<th>Municipality</th>
<th>Total Taxable Premiums</th>
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<tr>
<td>687</td>
<td>North Miami Beach</td>
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<tr>
<td>690</td>
<td>North Port</td>
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<tr>
<td>693</td>
<td>Oakland Park</td>
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<td>695</td>
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<td>701</td>
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<tr>
<td>706</td>
<td>Okeechobee</td>
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<tr>
<td>722</td>
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<td>725</td>
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<td>728</td>
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<td>736</td>
<td>Oviedo</td>
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<td>744</td>
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<td>746</td>
<td>Palm Beach Gardens</td>
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<td>Palmetto</td>
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<td>754</td>
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<td>755</td>
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<td>Pembroke Pines</td>
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<td>787</td>
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<td>789</td>
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<td>796</td>
<td>Pompano Beach</td>
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<tr>
<td>801</td>
<td>Port Orange</td>
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<tr>
<td>807</td>
<td>Port St. Lucie</td>
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<td>811</td>
<td>Punta Gorda</td>
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<tr>
<td>816</td>
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<td>909</td>
<td>Sunrise</td>
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<td>911</td>
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<tr>
<td>912</td>
<td>Sweetwater</td>
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<td>916</td>
<td>Tallahassee</td>
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<td>918</td>
<td>Tampa</td>
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<td>920</td>
<td>Tarpon Springs</td>
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<td>921</td>
<td>Tavares</td>
<td></td>
</tr>
<tr>
<td>925</td>
<td>Temple Terrace</td>
<td></td>
</tr>
</tbody>
</table>

In addition to completing Schedule XIII, you must answer Question B on Page 2.

Subtotal from Page 9 ...................... 1. 

Subtotal from Page 10 .................... 2. 

Total Tax ............................... 3.  

[Line 1 plus Line 2 times .85% (.0085). Enter here and on Page 1, Line 7] (If zero or less, enter 0)

Use the physical location of the property when allocating premiums. Do NOT use ZIP codes. For more information, see instructions.
### SCHEDULE XIV  RETALIATORY TAX COMPUTATION

<table>
<thead>
<tr>
<th></th>
<th>Column A State of Florida*</th>
<th>Column B State of Incorporation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Net Premium Tax Due (Page 1, Line 3 plus Line 5. See note below)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>80% of Salary Tax Credit Taken (Page 3, Schedule III, Line 5)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Total Corporate Income Tax (See note below)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Intentionally Left Blank</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Firefighters’ Pension Trust Fund</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Municipal Police Officers’ Retirement Trust Fund</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Florida Insurance Guaranty Association (FIGA) (Assessments on the Property Portion of Insurance Premiums only)</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Fire Marshal Taxes</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Annual and Quarterly Statement Filing Fees</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Annual License Tax and Certificate of Authority</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Agents’ Fees</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Other Taxes and Fees (Include Schedule)</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Workers’ Compensation Credit</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Total (Sum of Lines 1 through Line 13)</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Retaliatory Tax Due [Line 14, Column B (State of Incorporation) minus Line 14, Column A (State of Florida). Enter here and on Page 1, Line 8.]*</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Compute Column B using the state of incorporation’s tax law to determine tax owed using Florida premiums, personnel, and property. Attach all applicable returns and schedules.

* If zero or less, enter -0-

### SCHEDULE XV  NOT USED

### SCHEDULE XVI  SURCHARGE ON COMMERCIAL/RESIDENTIAL POLICIES

<table>
<thead>
<tr>
<th>Type of Policy</th>
<th>Policies Subject to Surcharge (sum of 4 quarters)</th>
<th>Rate</th>
<th>Surcharge Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Commercial</td>
<td>X $ 4.00</td>
<td>A.</td>
<td></td>
</tr>
<tr>
<td>B. Residential</td>
<td>X $ 2.00</td>
<td>B.</td>
<td></td>
</tr>
</tbody>
</table>

Total Surcharge Due for the Calendar Year (Total A + B). *Enter here and include on Page 1, Line 10 with total from Schedule XVII.

* The Total Surcharge Due should be greater than the sum of the first three quarters reported on Forms DR-907.

### SCHEDULE XVII  PAYMENT DUE FROM FLORIDA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION (FLAHIGA) REFUND

1. Total payment due from FLAHIGA refunds received this year, if any, and previously claimed as credit. Enter here and include on Page 1, Line 10 with total from Schedule XVI. (See Instructions)
## References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
<th>Rule</th>
</tr>
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<tbody>
<tr>
<td>RT-6</td>
<td>Employer’s Quarterly Report</td>
<td>73B-10.037, F.A.C.</td>
</tr>
<tr>
<td>RTS-71</td>
<td>Quarterly Concurrent Employment Report</td>
<td>73B-10.037, F.A.C.</td>
</tr>
<tr>
<td>F-1120</td>
<td>Florida Corporate Income/Franchise Tax Return</td>
<td>12C-1.051, F.A.C.</td>
</tr>
<tr>
<td>DR-907</td>
<td>Florida Insurance Premium Installment Payment</td>
<td>12B-8.003, F.A.C.</td>
</tr>
</tbody>
</table>
Instructions For Preparing Form DR-908
Florida Insurance Premium Taxes and Fees Return
For Taxable Year Beginning on or After January 1, 2018

Part One

Taxpayers Required to File Form DR-908
Under Chapter 624, Florida Statutes (F.S.), every authorized domestic, foreign, and alien insurer engaged as indemnitee, surety, or contractor in the business of entering into contracts of insurance or annuity in Florida shall annually remit a tax on insurance premiums, premiums for title insurance, or assessments, including membership fees and policy fees and gross deposits received from subscribers to reciprocal or interinsurance agreements, and on annuity premiums or considerations issued in the State of Florida. Additionally, every authorized domestic, foreign, and alien insurer shall report its gross underwriting profit on wet marine and transportation insurance, as defined in section (s.) 624.607(2), F.S., written in the State of Florida during the preceding calendar year. In addition to the premium/underwriting profit taxes imposed under Chapter 624, F.S., an excise tax is levied by each municipality or special fire control district described and classified in ss. 175.041 and 185.03, F.S., on every authorized insurer engaged in the business of property insurance and casualty insurance, respectively, in the State of Florida. Every domestic, foreign, and alien insurer authorized to engage in the business of fire insurance in the State of Florida shall be subject to a regulatory assessment on policies of fire insurance issued and insuring property in the State of Florida.

The premium/underwriting profit taxes, excise taxes, and regulatory assessment must be reported and filed on Form DR-908. Form DR-908 should NOT be filed for each Florida location of an insurer unless the location has its own Federal Employer Identification Number (FEIN). If you need additional assistance in completing Form DR-908, please call 850-488-6800.

When and Where to File Form DR-908
Form DR-908 is due on or before March 1 each year.
Mail your completed Form DR-908 and payment to:
Florida Department of Revenue
5050 W Tennesse St
Tallahassee FL 32399-0150

If there is an overpayment to be refunded (Line 17), mail your completed Form DR-908 to:
Florida Department of Revenue
PO Box 6440
Tallahassee FL 32314-6440

A return will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. If the due date falls on a Saturday, Sunday, or state or federal holiday, the return will be considered timely filed if it is postmarked the next business day.

Taxable Year
The taxable year for the Insurance Premium Taxes and Fees Return (Form DR-908) is based on a calendar year ending December 31.

Payment of Tax
The balance of tax shown to be due on the return must be paid in full with the return. Failure to pay the tax on time will subject the taxpayer to assessment of penalties and interest.

Electronic Filing
You are able to file and pay insurance premium tax electronically using the Department’s secure website. Online electronic filing offers the uploading of Schedule XII, Firefighters’ Pension Trust Fund, and Schedule XIII, Municipal Police Officers’ Retirement Trust Fund, automatic calculations, and automatic entry for data appearing in more than one schedule. If you paid $20,000 or more in tax during the State of Florida’s prior fiscal year (July 1 – June 30), you are required to file and pay electronically. Insurers are encouraged to file electronically and take advantage of the opportunity to save resources. Insurers can obtain a waiver by calling 850-488-6800. Please visit the Department’s website at floridarevenue.com for more information.

Important: Please verify that the Federal Employer Identification Number (FEIN) is correct on your tax return and that it exactly matches the FEIN under which your funds are electronically transmitted. If you are transmitting funds for more than one account, ensure accurate credit by making separate transmissions for each account.

Attachments and Statements
A copy of the Florida Business Page from the Annual Statement must be attached to Form DR-908 when it is filed. If you are claiming the salary tax credit, you must also submit copies of the Department of Revenue Form RT-6 for each quarter of credit claimed and a copy of Form RTS-71 if applicable. If you electronically file Forms RT-6 (Employer’s Quarterly Report) and RTS-71 (Quarterly Concurrent Employment Report), you may substitute printouts of your quarterly electronic filings when those printouts include the company name, FEIN, and reemployment tax number of the entity for which the electronic filing was submitted; the name of each employee; and each employee’s gross wages, excess wages not subject to tax, and net taxable wages. If Form RTS-71 is electronically filed for concurrent employees, a breakout by company should be included. Department of Financial Services’ Carrier and Self Insurance Fund Quarterly Premium Reports must be attached if you wrote workers’ compensation insurance. (Forms RT-6 and RTS-71 are incorporated by reference in Department of Economic Opportunity Rule 73B-10.037, Florida Administrative Code [F.A.C.].)

Several credits, in addition to the salary tax credit and workers’ compensation administrative assessment credit, require certifications and/or other documents to be attached to Form DR-908 in order to claim that particular credit (see Part Two, “Specific Instructions”).

For any insurer required to compute retaliatory tax, a copy of the state of incorporation’s Insurance Premium Tax Return, Corporate Income Tax Return, and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached.
Signature and Verification
All returns must bear the original signature of an authorized officer or fiduciary. Fax copies, rubber stamps, or photocopies of signatures are not considered original signatures.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN), if applicable, and
- Preparer tax identification number (PTIN).

Account Changes
If you change your business name, location or mailing address, or close or sell your business, immediately notify the Department. The quickest way to notify us is online. Go to floridarevenue.com/taxes/updateaccount, then select “Change address or account status.”

To Amend a Return
Amended returns must include all schedules and attachments, even those not affected by the amendment. Be sure to check the “Amended Return” box on Form DR-908 and list the reason(s) for amending the return. All amended returns must bear an original signature as described above.

Declaration of Estimated Tax
Taxpayers are required to make three installment payments (Form DR-907) based on prior year tax due or current taxes due. You are able to file and pay insurance premium tax installments electronically using the Department’s secure website.

When is the installment payment due and payable?
Installments of tax are due and payable on April 15, June 15, and October 15 of each year. A final payment of tax due for the year must be made at the time the taxpayer files the return (Form DR-908) for the year.

An installment will be considered timely filed if it is postmarked by the U.S. Postal Service on or before the applicable due date. If the due date falls on a Saturday, Sunday, or state or federal holiday, the installment will be considered timely filed if it is postmarked the next business day.

What are the installment payments based on?
Installments are based on the estimated gross amount of receipts of insurance premiums or assessments received during the immediately preceding calendar quarter. The second quarter installment due June 15 (not July 15) requires the estimate to be through June 30. All of the taxes reported on Form DR-908 are subject to installment payment requirements, not just the insurance premium tax reported on Schedule I of Form DR-908. Because of the complexities of computing the standard 90 percent (.90) installment payment for all of the taxes reported on Form DR-908, most insurers use the safe harbor of paying 27 percent (.27) of the tax due in the preceding year for each installment payment. If each installment is 27 percent (.27) of the amount of the annual tax reported on the preceding year’s Form DR-908 (Line 11 minus Line 9 and Line 10), there will be no installment penalty. The installment amounts that must be paid to meet the prior year exception are decreased by the amount of Florida Tax Credit Scholarship Program credit earned with contributions made during the current year.

Where to Mail Your Form DR-907 and Payment:
Florida Department of Revenue
5050 W Tennessee Street
Tallahassee FL 32399-0150

Penalty
Any taxpayer who fails to report and timely pay any installment of tax, who estimates any installment of tax to be less than 90 percent (.90) of the amount finally shown to be due in any quarter, and/or who fails to report and timely pay any tax due with the final return is subject to a penalty of 10 percent (.10) on any underpayment of taxes or delinquent taxes due and payable for that quarter and/or on any delinquent taxes due and payable with the final return.

Interest
Interest accrues when a taxpayer fails to pay any amount due or any portion thereof, on or before the due date. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. For current and prior year interest rates, visit floridarevenue.com/taxes/rates.

Contact Us:
Information, forms and tutorials are available on the Department’s website at floridarevenue.com.

If you have any questions, contact Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

For written replies to tax questions, write:
Taxpayer Services MS 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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- Proposed rules, notices of rule development workshops, and more.

Go to floridarevenue.com/dor/subscribe

Part Two
Specific Instructions

General Information Questions
Your name, address, FEIN, and Florida code must be entered on the return and payment coupon. Check the appropriate box: “Original,” “Amended,” or “Final.” List the reason(s) for amending the return. If you check the “Final Return” box, include a reason and attach appropriate documentation. Provide your state of domicile, the location of your corporate books, and the phone number, fax number, e-mail address, and name of the individual to be contacted if the Department requires additional information.

Chapter 624, F.S., provides that a tax on insurance premiums, premiums for title insurance, or assessments, including membership fees, policy fees, and gross deposits received from subscribers to reciprocal or interinsurance agreements, annuity premiums, or considerations, and the gross underwriting profit on wet marine and transportation insurance be paid to the Department of Revenue for the following:
a) Life and health insurance policies covering persons resident in the State of Florida and all other types of policies and contracts (except annuity policies or contracts) covering property, subjects, or risks located, resident, or to be performed in the State of Florida, omitting premiums on reinsurance assumed and deducting return premiums or assessments. No deductions shall be allowed for reinsurance ceded to other insurers, for monies paid upon surrender of policies or certificates for cash surrender value, for discounts or refunds for direct or prompt payment of premiums or assessments, for dividends of any nature or amount paid and credited or allowed to holders of insurance policies, certificates, or surety, indemnity, reciprocal, or interinsurance contracts or agreements.

b) Gross receipts on annuity policies or contracts paid by holders in the State of Florida. The premium tax authorized by s. 624.509(1)(b), F.S., shall not be imposed upon receipts of annuity premiums or considerations paid by holders in the State of Florida if the tax savings derived are credited to annuity holders.

c) Gross underwriting profit on wet marine and transportation insurance written in the State of Florida. Such gross underwriting profit shall be ascertained by deducting from the net premiums (gross premiums less all return premiums and premiums for reinsurance) the net losses paid (gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts.

---

**Computation of Insurance Premium Taxes and Fees**

**Line 1. Total Premium Tax Due**
Compute your total premium tax due from Schedule I on the basis of the applicable tax rates imposed by or subject to s. 624.509(1) and (2), F.S.

This calculation does not include wet marine and transportation tax. (See Line 5 and Schedule XI instructions.) Enter the total from Schedule I, Line 12.

**Line 2. Credits Against the Tax**
Enter the total credits against the tax from Line 11, Schedule III. However, in no event shall the total credits against the tax entered here exceed the total tax due.

**Line 3. Net Premium Tax Due**
Subtract Line 2 from Line 1 to arrive at net premium tax due. This line cannot be less than zero.

**Line 4. State Fire Marshal Regulatory Assessment and Surcharge on Commercial Properties**
Compute your regulatory assessment under the provisions of s. 624.515, F.S., using Schedule X. Compute the amount due for the surcharge under the provisions of s. 624.515(2), F.S., using Schedule X. Enter the total from Schedule X.

**Line 5. Wet Marine and Transportation Tax**
Compute the tax imposed by s. 624.510(1), F.S., on wet marine and transportation insurance using Schedule XI and enter the total.

**Lines 6 and 7. Firefighters’ and Municipal Police Officers’ Retirement Trust Funds**
Compute the total excise tax due imposed under ss. 175.101 and 185.08, F.S., for the Firefighters’ Pension Trust Fund and the Municipal Police Officers’ Retirement Trust Fund, respectively, using Schedules XII and XIII and enter the totals on Lines 6 and 7, respectively.

**Line 8. Retaliatory Tax**
Compute any applicable retaliatory tax pursuant to s. 624.5091, F.S., using Schedule XIV, and enter the retaliatory tax due. A copy of the state of incorporation’s Insurance Premium Tax Return, Corporate Income Tax Return and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached for any insurer required to compute retaliatory tax.

**Line 9. Filing Fees**
Per s. 624.501(4), F.S., a $250 quarterly/annual filing fee is imposed for those insurers required to file the annual statement. The 4th quarter annual statement filing fee is due with this return. Total all quarterly filing fees for the year (should be $1,000) and enter this amount here, on Page 1, Line 9, and on Schedule XIV, Line 9, in Column A.

**Note:** Prepaid limited health service organizations, fraternal benefit societies, and legal expense insurance corporations must report and pay their quarterly/annual statement filing fees to the Office of Insurance Regulation. Therefore, their filing fees are zero for the purposes of Page 1, Line 9, of this return.

**Line 10. Insurance Policy Surcharge and Payment Due From FLAHIGA Refund**
Add the surcharge due from Schedule XVI and the payment due from Schedule XVII and enter the result on Line 10.

**Line 11. Total Tax Due**
Enter the total of Lines 3 through 10 on Line 11 as total tax due.

**Line 12. Installment Payments**
Include on Line 12 all amounts paid on Line 6 of Form DR-907 for the taxable year, including penalty and interest.

If filing an amended return, be sure to add (on the line provided) the amount paid or deduct the amount refunded when you filed your original return.

**Line 13. Net Tax Due or Overpayment**
Subtract the amount from Line 12 from Line 11 to arrive at net tax due or overpayment.

**Lines 14 and 15. Penalty and Interest**
If payment with this return includes interest which has accrued or penalty which has been incurred, the respective amounts should be entered on these lines. If a taxpayer has underpaid installment payments, penalty and interest should be computed and included on these lines.

A penalty of 10 percent (.10) is imposed on any underpayment of taxes or delinquent taxes. A floating rate of interest applies to underpayments and late payments of tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. For current and prior period interest rates, visit our website or contact Taxpayer Services (see “Contact Us” on Page 2).

**Line 16. Amount Due With This Return**
Add the total of Lines 13 through 15 to reflect the amount due with the return. Enter the amount here and on the payment coupon.

**Line 17. Amount of Overpayment to be Refunded**
Enter the amount of overpayment to be refunded. Enter the amount here and on the payment coupon.
The Department will pay interest on requested refunds not refunded by the later of:

- The July 31st immediately following the March 1st due date of the insurance premium tax return (Form DR-908); or
- 90 days from receipt of a complete return.

A complete return (Form DR-908) should contain all necessary documentation establishing the overpayment. Interest paid by the Department will be based upon a statutory floating rate that may not exceed 11 percent (.11). For current and prior year interest rates, visit our website or contact Taxpayer Services (see “Contact Us” on Page 2).

**Schedule I
Computation of Insurance Premium Tax**

**Line 1. Property/Casualty/Miscellaneous**
Enter the Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums), which are reported on the Florida Business Page from the Florida Annual Statement.

- **a)** Additional Taxable Premiums – Enter additional taxable premiums. Some examples of additional taxable premiums are: finance and service charges, and managing general agent fees.

- **b)** Excluded Premiums - Enter excluded premiums which were included in direct written premiums. This includes any premium that is federally preempted from state taxation. Some examples of excluded premiums that are included in direct written premiums are: Motor Vehicle Service Agreement premiums and Service Warranty Association premiums under Chapter 634, F.S., that are subject to sales tax; Federal Crop Insurance Corporation premiums and premiums reinsured by the Federal Crop Insurance Corporation that are preempted from state taxation under s. 400.352 of Chapter IV of Title 7 of the Code of Federal Regulations; free premiums (uncollected premiums from policies where insurance coverage was provided without being paid by policyholder - net of subsequent collected amounts); federally preempted federal employee health benefit plan premiums; and federally preempted Medicare part D and Medicare Choice Plus premiums.

- **c)** Total Taxable Premiums - Enter the total taxable premiums, after adding Line (a) additional taxable premiums and subtracting Line (b) excluded premiums, for property/casualty and miscellaneous policies issued to holders in the State of Florida. Multiply the total taxable premiums by the tax rate of 1.75 percent (.0175). Enter this figure in the “Tax Due” column.

* Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Direct Business in this State) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums.

**Line 2. Life**
Enter the Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums), which are reported on the Florida Business Page from the Florida Annual Statement.

- **a)** Additional Taxable Premiums - Enter additional taxable premiums. Some examples of additional taxable premiums are: finance and service charges, and managing general agent fees.

- **b)** Excluded Premiums - Enter excluded premiums which were included in direct written premiums.

- **c)** Total Taxable Premiums - Enter the total taxable premiums, after adding Line (a) additional taxable premiums and subtracting Line (b) excluded premiums, for life policies issued to holders in the State of Florida. Multiply the total taxable premiums by the tax rate of 1.75 percent (.0175). Enter this figure in the “Tax Due” column.

* Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Direct Business in this State) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums.

**Line 3. Accident and Health**
Enter the Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums), which are reported on the Florida Business Page from the Florida Annual Statement.

- **a)** Additional Taxable Premiums – Enter additional taxable premiums. Some examples of additional taxable premiums are: finance and service charges, and managing general agent fees.

- **b)** Excluded Premiums - Enter excluded premiums which were included in direct written premiums. This includes any premium that is federally preempted from state taxation. Some examples of excluded premiums that are included in direct written premiums are: federally preempted federal employee health benefit plan premiums; federally preempted Medicare part D premiums; and federally preempted Medicare Choice Plus premiums.

- **c)** Total Taxable Premiums - Enter the total taxable premiums, after adding Line (a) additional taxable premiums and subtracting Line (b) excluded premiums, for accident and health policies issued to holders in the State of Florida. Multiply the total taxable premiums by the tax rate of 1.75 percent (.0175). Enter this figure in the “Tax Due” column.

* Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Direct Business in this State) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums.

**Line 4. Prepaid Limited Health Service Organizations**
Premiums, contributions, and assessments received by prepaid limited health service organizations under Chapter 636, F.S., are taxable at a rate of 1.75 percent (.0175). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.75 percent (.0175). Enter the result in the “Tax Due” column.

* Be sure to include a copy of the Florida Business Page from the Florida Annual Statement, (Exhibit of Premiums and Losses) and a reconciliation of Florida premiums on the Annual Statement to total taxable premiums.

**Line 5. Commercial Self-Insurance Funds**
Premiums, contributions, and assessments received by commercial self-insurers under s. 624.475, F.S., are taxable at a rate of 1.6 percent (.016). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.

**Line 6. Group Self-Insurance Funds**
Premiums, contributions, and assessments received by group self-insurers under s. 624.4621, F.S., are taxable at a rate of 1.6 percent (.016). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.
Line 7. Medical Malpractice Self-Insurance
Premiums, contributions, and assessments received by a medical malpractice self-insurance fund under s. 627.357, F.S., are taxable at a rate of 1.6 percent (.016). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.

Line 8. Assessable Mutual Insurers
Premiums, contributions, and assessments received by an assessable mutual insurer under s. 628.6015, F.S., are taxable at a rate of 1.6 percent (.016). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.

Line 9. Corporation Not-for-Profit Self-Insurance Funds
Premiums, contributions, and assessments received by a corporation not for profit self-insurance fund under s. 624.4625, F.S., are taxable at a rate of 1.6 percent (.016). Enter the taxable premiums, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.

Line 10. Public Housing Authorities Self-Insurance Funds
Premiums, contributions, and assessments received by public housing authorities self-insurance funds under s. 624.46226, F.S., are taxable at a rate of 1.6 percent (.016) under s. 624.46226, 624.4621, or 624.475, F.S. Enter the taxable premium, contributions, and assessments and then multiply this amount by the tax rate of 1.6 percent (.016). Enter the result in the “Tax Due” column.

Line 11. Annuity Premiums
Enter the total from Schedule II, Line 3 in the “Tax Due” column on Line 11.

Line 12. Total Premium Tax Due
Add Lines 1c, 2c, 3c, and 4 through 11 and enter the total premium tax due on Line 12. The total premium tax due is then entered on Page 1, Line 1 of the return. If zero or less, enter -0-.

### Schedule II

**Annuity Consideration Premiums**

**Line 1. Total Annuity Premiums**
Enter the amount of gross receipts on annuity policies or contracts paid by holders in the State of Florida. Multiply the total premiums by the rate of 1 percent (.01), and enter the tax due in the corresponding column.

*This tax must be assessed when the annuity premium is received, not when the annuity matures or is otherwise terminated.*

**Line 2. Tax Savings Credited to Annuity Holders**
Per s. 624.509(8), F.S., the premium tax shall not be imposed upon receipts of annuity premiums or contributions paid by holders in the State of Florida if the tax savings derived are credited to the annuity holders. Upon request by the Department of Revenue, any insurer availing itself of this provision shall submit to the Department evidence which establishes that the tax savings derived have been credited to annuity holders. The term “holders” includes employers contributing to an employee’s pension, annuity, or profit-sharing plan.

Enter the amount of the tax savings, if any, in the appropriate column.

**Line 3. Total Annuity Premiums Due**
Subtract Line 2 from Line 1; enter the difference on Line 3, and on Schedule I, Line 11. If zero or less, enter -0-.

### Schedule III

**Credits Against The Premium Tax**

**Line 1. Workers’ Compensation Administrative Assessment Credit**
Enter the amount from Schedule VI, Line 4.

**Line 2. Firefighters’ Pension Trust Fund Credit**
Enter the amount from Schedule XII - B, Line 3 minus any Firefighters’ Pension Trust Fund credit used on Schedule XI, Line 6.

**Line 3. Municipal Police Officers’ Retirement Trust Fund Credit**
Enter the amount from Schedule XIII - B, Line 3 minus any Municipal Police Officers’ Retirement Trust Fund credit used on Schedule XI, Line 7.

**Line 4. Eligible Corporate Income Tax Credit**
Enter the amount from Schedule V, Line 11.

**Line 5. Salary Tax Credit**
Enter the amount from Schedule V, Line 12.

**Line 6. Florida Life and Health Insurance Guaranty Association Credit**
Enter the amount from Schedule VII, Line 1.

**Line 7. Community Contribution Credit**
Enter the amount of Community Contribution Credit approved for the tax year under s. 624.5105, F.S., less any Community Contribution Credit taken against the Wet Marine and Transportation Tax from Schedule XI, Line 8.

A copy of the approval letter must be attached to the Form DR-908 on which the credit is claimed. Any Community Contribution Credit not used in any single year may be carried forward for a period not to exceed five (5) years. If credit carryovers are used, attach a schedule reconciling all carryovers.

**Line 8. Capital Investment Tax Credit**
Enter the amount of the Capital Investment Tax Credit approved for the tax year.

Per s. 220.191(2), F.S., an annual investment tax credit is available to a qualifying business that establishes a qualifying project, as defined in s. 220.191(1)(g)1. and 2., F.S. Attach a copy of the certification indicating that the insurer has been approved to receive this credit. A pro forma insurance premium tax return indicating the qualifying project’s Florida premium tax liability for the year must also be attached to be able to claim this credit. This credit is granted against only the portion of the Florida insurance premium tax liability generated by or arising out of a qualifying project. Insurers may apply for this credit with Enterprise Florida, Inc., at 850-298-6620.

The Capital Investment Tax Credit for qualifying projects defined in s. 220.191(1)(g)3., F.S., may not be claimed against the insurance premium tax.

**Line 9. Florida Tax Credit Scholarship Program Credit**
Enter the amount from Schedule V, Line 13.
Line 10. New Markets Tax Credit
Per s. 288.9916, F.S., a credit is available for a qualified investment under the Florida New Markets Development Program administered by the Department of Economic Opportunity. **Attach a copy of the credit certification.** You may carry forward any unused credit for a period not to exceed five (5) years.

Line 11. Total Credits
Enter the total of Lines 1 through 10 on Line 11. The total from Line 11 is then entered on Page 1, Line 2 of the return.

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**Schedule IV**
**Computation of Salary Credit**

In addition to completing Schedule IV, you must answer Question A on Form DR-908, Page 2.

Under s. 624.509(5), F.S., a credit is allowed against the net tax imposed under s. 624.509, F.S., equal to 15 percent (.15) of the amount paid by an insurer in salaries to employees within the State of Florida, and who are covered by the provisions of Chapter 443, F.S., by the insurer filing this return.

The term “salaries” does not include amounts paid as commissions. The term “employees” does not include independent contractors or any person whose duties require that the person hold a valid license under the Florida Insurance Code, except “adjusters,” “managing general agents,” and “service representatives,” as defined in s. 626.015, F.S.

When claiming a salary tax credit, there are certain requirements the insurer must meet to qualify for the credit. These requirements are:

- The employees claimed are not excluded under s. 624.509(5), F.S.
- The wages used in the credit calculation must be wages paid to the insurer’s employees by the insurer claiming the credit.
- Those employees must be located or based in Florida.
- The insurer claiming the credit is the employer, and the employees are covered by the unemployment compensation provisions contained in Chapter 443, F.S.

An affiliated group of corporations that created a service company within its affiliated group on July 30, 2002 may allocate the salary of the service company employees under certain circumstances. See s. 624.509(5)(b)4., F.S.

Net tax is defined as the tax imposed after deductions from the total premium tax due for the Firefighters’ Pension Trust Fund Credit, the Municipal Police Officers’ Retirement Trust Fund Credit, and the total corporate tax paid.

An insurer that made an irrevocable election on or before August 1, 2005, for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., may allocate the eligible salaries of the affiliated group to the members of the affiliated group that are covered by the election. The amount of salary credit allowed under this exception is limited to the combined Florida salary tax credits allowed for all insurance companies that were members of the affiliated group of corporations for the tax year ending December 31, 2002, divided by the combined Florida taxable premiums written by all insurance companies that were members of the affiliated group of corporations for the tax year ending December 31, 2002, multiplied by the combined Florida taxable premiums of the affiliated group of corporations for the current year. **Insurers who are covered by an election under s. 624.509(5)(a)2., F.S., must include a calculation of the current year Salary Credit Cap for the Affiliated Group (Total Florida Taxable Premiums for the Tax Year times Affiliated Group 2002 Factor), an allocation of the affiliated group’s eligible salaries to the individual entities in the affiliated group, and the amount of salary credit that is being claimed by each individual entity covered under the election.** The sum of the salary credits taken by all members of the affiliated group must not exceed the yearly salary credit cap. A reduction in salary credit for one or more of the entities in the affiliated group may be required should the total salary credits claimed by all members exceed the allowed cap. The reduced credit amount should be placed on Line 12 of Schedule V.

The exception to the standard salary tax credit requirements for mutual insurance holding companies that were in existence on or before January 1, 2000, in s. 624.509(5)(b)5., F.S., is NOT VALID because the associated funding provision in s. 28 of House Bill 1813 was vetoed by Governor Bush on June 20, 2005. (See ss. 26 and 28 of Chapter 2005-280, Laws of Florida [L.O.F.] and Governor Bush’s veto letter of SB 1813, s. 28 dated June 20, 2005.) No other funding has been provided at this time.

Insurers claiming this credit must attach a copy of their quarterly Form RT-6 to their annual premium tax return, Form DR-908. Form RTS-71 must also be attached with the corresponding RT-6 forms, when a portion of concurrent employees’ wages are claimed as eligible salaries. If you electronically file Forms RT-6 and RTS-71, you may substitute printouts of your quarterly electronic filings when those printouts include the company name, FEIN, and reemployment tax number of the entity for which the electronic filing was submitted; the name of each employee; and each employee’s gross wages, excess wages not subject to tax, and net taxable wages. If Form RTS-71 is electronically filed for concurrent employees, a breakout by company should be included. If an insurer is claiming a salary tax credit, Form DR-908 is considered incomplete without this documentation.

Line 1. Total Premium Tax Due
Enter the total from Schedule I, Line 12.

Lines 2 and 3. Firefighters’ and Municipal Police Officers’ Retirement Fund Credits
Enter the total taxes computed from Schedules XII-B and XIII-B, respectively, onto Lines 2 and 3 respectively.

Line 4. Corporate Income Tax Paid
Enter the total amount paid from Florida Form F-1120, Line 13 for corporate income tax reported on the return due during calendar year 2018. The credit granted for corporate income tax is available for the annual period in which such tax payments are made. Payments of estimated income tax under Chapter 220, F.S., shall be deemed paid either at the time the insurer actually files its annual returns under Chapter 220, F.S., or at the time such returns are required to be filed, whichever occurs first.

If a consolidated corporate income tax return is filed, enter the insurance company’s pro rata share of the consolidated
income tax paid. Each company in the affiliated group with positive income is allocated a share of the income tax paid. An insurance company with positive income is allocated part of the consolidated income tax paid based on its positive Florida income after additions and subtractions (before apportionment) over the total income of all companies within the affiliated group with positive Florida income after additions and subtractions (before apportionment). This ratio is used to allocate the consolidated income tax paid by the affiliated group to the members of the group with positive income.

For example, Company A ($100,000 positive income after Florida additions and subtractions and before apportionment), Company B ($100,000 positive income after Florida additions and subtractions and before apportionment), and Company C ($50,000 loss after Florida additions and subtractions and before apportionment) filed a Florida consolidated corporate income tax return and paid $5,000 in tax. Company C is not allocated any of the consolidated corporate income tax paid because it did not have any positive income. Company A is allocated $2,500 ($100,000/ $200,000 X $5,000). Company B is allocated $2,500 ($100,000/ $200,000 X $5,000).

Line 5. Total (Net Tax)
Subtract Lines 2 through 4 from Line 1 and enter the difference. This is the net tax figure to be used for comparison purposes. If zero or less, enter -0-.

Line 6. Eligible Florida Salaries
Enter the total eligible Florida salaries. The insurer claiming the credit must be the employer of the claimed employees and must have satisfied the filing requirements of Chapter 73B-10, F.A.C.

If the taxpayer is covered by an election for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., enter the allocated amount of the affiliated group’s eligible salaries to the individual entity on Line 6.

Line 7. Computation of Credit
Multiply the total eligible Florida salaries from Line 6 by 15 percent (.15). Enter the result.

Line 8. Salary Credit (Available)
Enter the lesser of Line 5 or Line 7 here and on Schedule V, Line 4, as the total available salary credit cannot exceed the net tax as computed on Line 5. If zero or less, enter -0-.

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<th>Schedule V</th>
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<td>Corporate Income, Salary and SFO Credit Limitation</td>
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Under s. 624.509(4) and (5), F.S., the corporate income tax paid by an insurer shall be credited against, and to the extent thereof shall discharge, the liability for the insurance premium tax, and a credit of 15 percent (.15) of the amount paid by an insurer in salaries to employees located or based within the State of Florida and who are covered by the provisions of Chapter 443, F.S., by the insurer filing this return, shall be allowed against the net tax imposed by s. 624.509, F.S.

The total of the credit granted for the corporate income tax paid by an insurer and the salary tax credit granted shall not exceed 65 percent (.65) of the premium tax due after deductions taken for the excise taxes paid to fund the Firefighters’ and Municipal Police Officers’ Retirement Trust Funds, and for the Workers’ Compensation Assessment.

Line 1. Total Corporate Income Tax Paid
Enter the total corporate income tax paid from Florida Form F-1120, Line 13. For corporations filing on a consolidated basis, each individual corporation’s share of the consolidated income tax paid must be computed. A schedule of how the consolidated income tax paid is allocated among the consolidated filers should be attached to the return. The individual credits claimed cannot exceed the total corporate income tax paid on the consolidated basis. For more information, see the instructions for Schedule IV, Line 4.

Line 2. Corporate Income Tax Credit Taken Against Wet Marine and Transportation Insurance Tax
Enter the credit taken on Schedule XI, Line 5, for corporate income tax.

Line 3. Eligible Net Corporate Income Tax
Subtract Line 2 from Line 1 in order to determine the eligible net corporate income tax.

Line 4. Salary Credit
Enter the salary credit computed on Schedule IV, Line 8.

Line 5. Total Premium Tax Due
Enter the total premium tax due from Schedule I, Line 12.

Line 6. Workers’ Compensation Administrative Assessment Credit
Enter the credit computed on Schedule VI, Line 4.

Lines 7 and 8. Firefighters’ and Municipal Police Officers’ Retirement Trust Fund Credit
Enter the total excise taxes from Schedules XII-B and XIII-B onto Lines 7 and 8, respectively.

Line 9. Premium Tax Due After Deductions
Subtract the amounts on Lines 6, 7, and 8 from the Total Premium Tax Due on Line 5.

Line 10. Limitation of 65 Percent
Multiply Line 9 by 65 percent (.65) and enter the result.

Line 11. Eligible Corporate Income Tax
Enter the lesser of Line 3 or the limitation computed on Schedule V, Line 10. If zero or less, enter -0-.

Line 12. Salary Tax Credit
Enter the lesser of Line 4 or the difference between Lines 10 and 11. Lines 11 and 12 are to be entered on Schedule III, Lines 4 and 5 respectively. If zero or less, enter -0-.

If the taxpayer is covered by an election for the alternative salary credit calculation under s. 624.509(5)(a)2., F.S., and a reduction to the amount of salary tax credit is required, enter the reduced salary credit amount here.

Line 13. Florida Tax Credit Scholarship Program Credit
A credit is available against the insurance premium tax for contributions to nonprofit scholarship funding organizations (SFO) under the Florida Tax Credit Scholarship Program. Section 624.51055, F.S., governs the credit against the insurance premium tax and provides for a credit of 100% of an eligible contribution made to an eligible SFO as provided in s. 1002.395, F.S., against any net tax due for a taxable year under s. 624.509(1), F.S.

However, the credit may not exceed the tax due under s. 624.509(1), F.S., after deducting from such tax:
1. deductions for assessments made pursuant to s. 440.51, F.S. (workers compensation administrative assessments),
2. credits for taxes paid under ss. 175.101 and 185.08, F.S. (firefighters’ and police officers’ pension trust funds), and
3. credits for income tax paid under Chapter 220, F.S., and the salary credit allowed under s. 624.509(5), F.S., as these are limited by s. 624.509(6), F.S.

To learn more about this credit or to submit your application, for an allocation of credit, go to the Department’s website. The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years (five [5] years for carry forward amounts from tax years beginning prior to January 1, 2018).

Enter the lesser of your eligible contributions to a nonprofit scholarship funding organization plus carry forwards under ss. 624.51055 and 1002.395, F.S., during the 2018 calendar year, or the result of (Schedule V, Line 9 less Schedule V, Lines 11 and 12).

Attach a copy of the certificate of contribution from each nonprofit scholarship funding organization to your Insurance Premium Taxes and Fees Return (Form DR-908).

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**Schedule VI**

**Workers’ Compensation Administrative Assessment Credit Limitation**

**Line 1. Premiums Written**
Enter the total workers’ compensation premiums written from the Florida Business Page from the Florida Annual Statement filed with the State of Florida. If zero or less, enter -0-.

**Line 2. Tax Rate of 1.75 Percent**
Multiply the total workers’ compensation premiums written by the tax rate of 1.75 percent (.0175), or 1.6 percent (.016) for self-insurers.

**Line 3. Administrative Assessments Paid to Workers’ Compensation Trust Fund**
The credits for the administrative assessments paid to the Workers’ Compensation Trust Fund should relate to the four quarterly writings for which the assessments are levied. Only four assessments may be claimed for each tax year. The fourth quarter assessment must be paid by March 1 of the next year in order to receive credit.

3a - d. Enter the amount of the administrative assessment paid to the Workers’ Compensation Trust Fund for each calendar quarter.

Enter the total amount of the administrative assessments paid to the Workers’ Compensation Trust Fund pursuant to s. 440.51, F.S. Copies of Department of Financial Services’ Carrier and Self Insurance Fund Quarterly Premium Reports must be attached. If total assessments paid are zero or less, enter -0-.

**Line 4. Workers’ Compensation Administrative Assessment Credit**
Enter the lesser of Line 2 or 3 here and on Schedule III, Line 1.

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**Schedule VII**

**Florida Life and Health Insurance Guaranty Association (FLAHIGA) Credit**

Under s. 631.72, F.S., a member insurer of FLAHIGA may take credit against its premium or income tax liabilities any assessments for each year following the year in which the assessment was paid. However, if a member insurer should cease doing business, all uncredited assessments may be credited against its premium or corporate income tax liability for the year it ceases doing business. Uncredited assessments cannot be transferred to another entity.

Attach a copy of the Assessment Levy and a copy of the certificate of contribution for each assessment claimed as a credit. Enter the amounts of Class B and C assessments paid and the refunds received for each year and then total. Multiply the total assessments paid by the applicable rate for each year.

**Line 1. Total FLAHIGA Credit**
Enter the total credit amount here and on Schedule III, Line 6. If zero or less, enter -0-.

**Schedules VIII and IX**

Not Used

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**Schedule X**

**State Fire Marshal Regulatory Assessment Tax/Surcharge**

A regulatory assessment of 1 percent (.01) is imposed on every domestic, foreign, and alien insurer issuing policies of fire insurance in Florida. In addition, each insurer authorized to transact insurance business in Florida must remit a .1 percent (.001) surcharge on all gross direct fire, allied lines, and multiple peril insurance premiums written on commercial property located within Florida. (s. 624.515, F.S.)

**Total Premiums**
The amount of premiums to be entered in Schedule X in the column titled “Total Premiums” is:

1. The Florida direct premiums written (gross premiums minus reinsurance assumed and returned premiums) which are reported on the Florida Business Page of the Florida Annual Statement;
2. Plus additional taxable premiums (some examples of additional taxable premiums are finance and service charges, and managing agent fees);
3. Less excluded premiums (some examples of excludable premiums are any premiums that are federally preempted from state taxation and free premiums [uncollected premiums from policies where insurance coverage was provided without being paid by a policyholder – net of subsequent collected amounts]).

Be sure to include a reconciliation of Florida premiums on the Annual Statement to the amount in the “Total Premiums” column.

Attach a copy of the Florida Business Page from the Annual Statement filed with Florida to Form DR-908.
Types of Fire Premiums
“Fire insurance” means the insurance of structures or other property, including real and tangible property, at fixed locations against loss or damage to such structures or other described properties from the risks of fire and lightning.

“Allied lines” means the insurance of structures or other property against loss or damage to such structures or other properties from the risks of tornado, windstorm, hail, sprinkler or water damage, explosion, riot or civil commotion, flood, rain, and damage from aircraft or vehicle.

Lines 1 through 13.
Enter the amounts of premiums written for the types of policies listed. Multiply the total premiums by the percentage applicable to the peril of fire (Fire Percentage). Please see Lines 3 and 4 for commercial multiple peril policies to facilitate proper reporting using the correct fire percentage on commercial multiple peril policy premiums for rental condo units. For Crop on Line 6, combine the premiums for multiple peril crop and private crop.

Note: When the books, records, and percentage assessment methodology used by an insurer clearly demonstrate without exception a lesser fire percentage than those listed, the insurer may apply the lesser fire percentages. The Department will audit the insurer’s return when a fire percentage used is less than the percentage listed.

Line 14. Total Taxable Premiums
Add the taxable premiums on Lines 1 through 13 and enter the total. If zero or less, enter -0-.

Line 15. State Fire Marshal Tax Due
Multiply the total on Line 14 by the rate of 1 percent (.01) and enter the result.

Line 16. Additional Premiums Subject to Surcharge
Enter any additional premiums not included in the amounts on the lines marked with an asterisk (*) (Lines 2, 3, 4, 5, 6, and 8) above that are subject to the surcharge. Attach a schedule with an explanation to your Form DR-908.

Line 17. Total Premiums Subject to Surcharge
Enter the total premiums from the lines marked with an asterisk (*) (Lines 2, 3, 4, 5, 6, 8, and 16) indicating commercial fire, commercial multiple peril, farmowners multiple peril, crop, and commercial allied lines, plus the premiums from any other policy of fire, allied lines, or multiperil insurance that insures commercial property located in this state. If zero or less, enter -0-.

Line 18. Surcharge Due
Multiply the total on Line 17 by the rate of .1 percent (.001) and enter the result.

Line 19. Total State Fire Marshal Tax Due Plus Total Surcharge Due
Enter the sum of the State Fire Marshal Tax and the Surcharge here and on Page 1, Line 4 of the return.

Schedule XI
Wet Marine and Transportation Tax

Under s. 624.510, F.S., an insurer writing policies of wet marine and transportation insurance as defined in s. 624.607(2), F.S., shall pay a tax of .75 percent (.0075) of the gross underwriting profit.

Wet marine and transportation insurers are entitled to a credit for corporate income tax imposed under Chapter 220, F.S., for the year paid, the community contribution credit and the excise taxes levied under ss. 175.101 and 185.08, F.S. If the credits available exceed the tax, only include the amount of credits necessary to eliminate the tax. Total excise tax credits available for the insurance premium tax levied under s. 624.509, F.S., must be reduced by credits that are applied against the wet marine and transportation tax.

Line 1. Net Premiums
Enter the net premiums (gross premiums less return premiums and reinsurance) for wet marine and transportation policies written in the State of Florida during the calendar year.

Line 2. Net Losses Paid
Enter the net losses paid (gross losses paid less salvage and recoveries on reinsurance ceded) during the calendar year for any such contracts.

Line 3. Gross Underwriting Profit
Multiply the total on Line 3 times the rate of .75 percent (.0075) and enter the tax.

Line 4. Wet Marine and Transportation Tax
Multiply the total premiums by the percentage of credits necessary to eliminate the tax. Total excise taxes levied under ss. 175.101 and 185.08, F.S.

Note: This amount cannot be less than zero.
Use the physical location of the property when allocating premiums to the appropriate fire control district or municipality. Do not use ZIP codes as a means of identifying the location of the risk, as they do not provide a sufficient level of detail to identify the appropriate city or district and may result in an inaccurate allocation of premiums.

In addition to completing Schedules XII and XIII, you must answer Question B on Form DR-908, Page 2.

Sections 175.101 and 185.08, F.S., provide for each municipality and/or fire district having a lawfully established firefighters’ pension trust fund and/or a lawfully established municipal police officers’ retirement trust fund, respectively, to assess against an insurer engaged in the business of property insurance and/or casualty insurance, respectively, an excise tax on all premiums collected on property within the corporate limits of any such municipality or within the boundaries of any special fire control district.

Regarding the Firefighters’ Pension Trust Fund, premiums are to be reported on the gross amount of receipts of premiums from policy holders on all premiums collected on property insurance as defined in s. 624.604, F.S., and includes the following lines: fire, allied lines, flood, earthquake, aircraft, and aggregate write-ins for other lines of business meeting the definition of property insurance.

Regarding the Municipal Police Officers’ Retirement Trust Fund, premiums are to be reported on the gross amount of receipts of premiums from policy holders on all premiums collected on property insurance as defined in s. 185.02(2), F.S., and includes the following lines: private passenger auto no-fault (personal injury protection), other private passenger auto liability, commercial auto no-fault (personal injury protection), other commercial auto liability, private passenger auto physical damage, commercial auto physical damage, fidelity, burglary and theft.

Additionally, in the case of multiple peril policies which include both property and casualty coverage for a single premium, 70 percent (.70) of such premium shall be used as the basis for the Firefighters’ Pension Trust Fund assessment reported on Schedule XII and 30 percent (.30) of such premium shall be used as the basis for the Municipal Police Officers’ Retirement Trust Fund reported on Schedule XIII. Such multi-peril insurance includes the following lines: farm owners’ multiple peril, homeowners’ multiple peril, and commercial multiple peril.

For Schedules XII and XIII, report all premiums received under property insurance policies and/or casualty insurance policies, respectively, covering or insuring property located within the corporate limits of the municipalities and/or fire control districts listed for the calendar year ended December 31, 2018. This must include any business being written in a pool or association arrangement. Multiply the total premiums by the applicable rate of 1.85 percent (.0185) for property policies reported on Schedule XII-B, and by .85 percent (.0085) for casualty policies reported on Schedule XIII-B. Enter the total tax for each excise tax on Line 3 of Schedules XII-B and XIII-B respectively, and on Page 1, Lines 6 and 7 respectively.

If a significant variance exists between the figures reported on your prior year return, a written explanation will be required. A significant variance is considered an increase or decrease of greater than 10 percent (.10) for any municipality or fire control district. Please review the figures on Schedules XII and XIII of your 2018 return and the information you reported last year. If a significant variance exists, you must attach a detailed explanation clarifying the variance between your 2017 and 2018 returns.

The Department of Revenue created a database that insurers may use in assigning their premiums and policies to the various participating local taxing jurisdictions. This database is available for free at floridarevenue.com/taxes/pointmatch. This database was created pursuant to ss. 175.1015 and 185.085, F.S. These statutes provide that insurers who exercise due diligence in using the Department’s database to assign their premiums to the participating local taxing jurisdictions shall be held harmless from any liability, including but not limited to, liability for taxes, interest, or penalties that would otherwise be due as a result of an assignment of premiums to an incorrect local taxing jurisdiction. Insurance companies that do not use the electronic database provided by the Department of Revenue and do not exercise due diligence in applying the electronic database, are subject to a .5 percent (.005) penalty on the total premium per policy that is improperly assigned.

The Department of Revenue; the Department of Financial Services, Office of Insurance Regulation; and the Department of Management Services, Division of Retirement, Municipal Police Officers’ and Firefighters’ Retirement Trust Funds Office, administer the Chapter 175 and 185, F.S., taxes.

* The Department of Financial Services, Office of Insurance Regulation has authority to impose the .5 percent (.005) penalty relating to the address database and insured risks not properly assigned to participating local taxing jurisdictions.

* The Department of Management Services, Division of Retirement, Municipal Police Officers’ and Firefighters’ Retirement Trust Funds Office administers the retirement trust funds, distributes monies to the local taxing jurisdictions, and notifies the Office of Insurance Regulation when insurers fail to comply.

* The Department of Revenue creates and maintains the database and collects the Chapter 175 and 185, F.S., taxes on its forms. When processing the Insurance Premium Tax returns, the Department of Revenue often contacts insurers about variances between the current year and prior year amount of premium reported for the various local taxing jurisdictions, to help ensure that the proper amounts are reported by the insurer to the proper local taxing jurisdictions.

Sections 175.151 and 185.13, F.S., provide that an insurer’s certificate of authority may be canceled or revoked if an insurer fails to comply with the provisions of Chapters 175 and 185, F.S.

Schedule XIV
Retaliatory Tax Computation

Per s. 624.5091(1), F.S., when by or pursuant to the laws of any other state or foreign country any taxes, licenses, and other fees, in the aggregate, and any fines, penalties, deposit requirements, or other material obligations, prohibitions, or
restrictions are or would be imposed upon Florida insurers or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses, and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements, or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this state, so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses, and other fees, in the aggregate, or fines, penalties, deposit requirements, or other material obligations, prohibitions, or restrictions of whatever kind shall be imposed by the Department of Revenue upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in this state.

For any insurer required to compute retaliatory tax, a copy of the state of incorporation's Insurance Premium Tax Return, Corporate Income Tax Return, and any other applicable returns or schedules calculated using Florida premium volume, personnel, and property should be attached.

The calculations should be based on the state of incorporation’s tax laws, licenses, and fees using the level of premiums written in Florida by the alien or foreign insurer and their Florida personnel and property. Subsection 624.5091(3), F.S., provides that the retaliatory provisions do not apply as to personal income taxes, nor as to sales or use taxes, nor as to reimbursement premiums paid to the Florida Hurricane Catastrophe Fund, nor as to emergency assessments paid to the Florida Hurricane Catastrophe Fund, nor as to ad valorem taxes on real or personal property, nor as to special purpose obligations or assessments imposed in connection with particular kinds of insurance other than property insurance. Therefore, no calculations should be included for Workers’ Compensation Assessments, the Florida Comprehensive Health Association Assessment, or any other special purpose obligations or assessments in connection with particular kinds of insurance other than property insurance. If the state of incorporation allows, for example, a credit or tax rate reduction or abatement based on personnel or property, the foreign or alien insurer’s Florida personnel or property must be used to calculate the credit or rate reduction or abatement.

Note: New York insurers must amend Form DR-908 if the computation of the CT33/CT33M changes from the amount estimated when the original Form DR-908 was filed.

Line 1. Net Premium Tax Due
The net premium tax due is used as a starting point for retaliatory calculations (gross premium tax due less credits). Add the net premium tax due from Page 1, Line 3 to the wet marine and transportation tax from Page 1, Line 5. Enter the result in Column A. For Column B, calculate what the net premium tax due would be if the volume of Florida premiums were written in the state of incorporation and the insurer’s Florida personnel and property were in the state of incorporation.

Line 2. 80 Percent of Salary Tax Credit Taken
Per s. 624.5091(1), F.S., 80 percent (.80) of the credit provided by s. 624.509(5), F.S., (salary credit subject to the limitations) shall not be taken into consideration. Calculate 80 percent (.80) of that salary credit in Column B based on Florida premium volume and Florida personnel and property.

Line 3. Total Corporate Income Tax
Enter the total corporate income tax paid (Florida Form F-1120, Line 13) in Column A. For corporations filing on a consolidated basis, each individual corporation’s share of the consolidated income tax paid must be computed. A schedule of how the consolidated income tax paid is allocated among the consolidated filers should be attached to the return. If a corporate income tax is imposed on insurers writing premiums in the state of incorporation, calculate the amount of corporate income tax based on the laws of that state and using the level of premiums written in Florida, and enter the amount computed in Column B.

Note: When calculating corporate income tax for the state of incorporation, use the income, apportionment factor, and other facts that existed for the taxable year whose return would have been filed in the calendar year 2018 calculated by using your Florida business.

Line 4. Intentionally Left Blank

Line 5. Firefighters’ Pension Trust Fund
Enter the amount from Page 1, Line 6 in Column A. If an excise tax on property insurance is imposed upon insurers writing premiums in the state of incorporation, then recalculate the tax using Florida premium volume and enter the amount computed in Column B.

Line 6. Municipal Police Officers’ Retirement Trust Fund
Enter the amount from Page 1, Line 7 in Column A. If an excise tax on casualty insurance is imposed upon insurers writing premiums in the state of incorporation, then recalculate the tax using Florida premium volume and enter the amount computed in Column B.

Line 7. Florida Insurance Guaranty Association (FIGA) Assessments on the Property Portion of Insurance Premiums only
Only the property portion of the FIGA assessments may be added to the retaliatory schedule per s. 624.5091, F.S., and Rule 12B-8.016(3), F.A.C. Enter the calculated property portion of FIGA assessments allowed using the method described below. Provide your computation schedule and copies of FIGA certificates. Property insurance as defined in s. 624.604, F.S., includes the following lines: fire, flood, earthquake, aircraft, industrial fire, industrial extended coverage, mobile home physical damage, and aggregate write-ins for other lines of business meeting the definition of property insurance.

Calculation: Determine the property portion of each type of premium subject to the FIGA assessment, and total the results. Next, divide the total property portion by the total premiums (property and casualty) subject to the FIGA assessment. Take the resulting ratio (carried to six decimal places) times the FIGA assessment paid. Perform this computation for each FIGA assessment paid and add the results for the total allowable FIGA assessment to be included on Line 7, Column A.
The Florida Department of Revenue Form DR-908 Instructions

For the capital investment tax credit, community contribution tax credit, Florida Tax Credit Scholarship Program Credit and new markets tax credit, only include amounts on this line to the extent they reduced the insurance premium tax and wet marine and transportation tax on Line 1.

**Line 13. Workers’ Compensation Credit**
Enter the workers’ compensation credit claimed from Schedule III, Line 1, in Column A. Enter any similar credit against the state of incorporation premium tax, in Column B.

**Line 14. Total**
Enter the sum of Lines 1 through 13 for both Column A and Column B.

**Line 15. Retaliatory Tax Due**
Subtract the total on Line 14 for the State of Florida (Column A) from the total on Line 14 for the state of incorporation (Column B), and enter the total tax here and on Page 1, Line 8. If zero or less, enter -0-.

### Schedule XV

Not Used

### Schedule XVI

#### Schedule XVI

Insurance Policy Surcharge

Section 252.372, F.S., imposes a $2 and $4 surcharge on policies issued or renewed covering Florida residential or commercial real property.

Every insurer, must collect a surcharge from the policy holders of certain types of property insurance. The surcharge does not apply to policies on tangible personal property, except multiple peril type policies on residential or commercial properties and mobile homes.

The figures used in this schedule are for the entire calendar year and not just the fourth quarter.

**Line A. Commercial**

For the 2018 calendar year, enter the total number of commercial fire, commercial multiple peril, business owner’s property, and all other policies covering commercial real property in Florida. Multiply by $4 to determine the total amount due for commercial policies for the calendar year.

**Line B. Residential**

For the 2018 calendar year, enter the total number of residential fire, homeowners, mobile homeowners, tenant homeowners, condominium unit owners, and all other policies covering residential property in Florida. Multiply by $2 to determine the total amount due for residential policies for the calendar year.

Add Lines A and B to determine the total surcharge due. Add this amount to the total payment due from Schedule XVII and enter the result on Page 1, Line 10.

### Schedule XVII

#### Payment Due from Florida Life and Health Insurance Guaranty Association (FLAHIGA) Refund

Subsection 631.72(3), F.S., provides that any sums acquired by refund pursuant to s. 631.718(6), F.S., from the association (FLAHIGA) which have until now been written off by contributing insurers and offset against insurance premium

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**The Formula to Calculate the Property Portions of the FIGA Assessment is:**

\[
A ÷ B \times C
\]

- **A** = Property Insurance Premiums Subject to FIGA Assessment
- **B** = Total Insurance Premiums Subject to FIGA Assessment
- **C** = FIGA Assessment levied by Florida Insurance Guaranty Association

Enter any guaranty assessment related to property insurance that may be imposed upon the state of incorporation in Column B, by calculating the assessment a similar Florida insurer would have been assessed.

**Line 8. Fire Marshal Taxes**
Enter the amount from Page 1, Line 4 in Column A. Enter any fire marshal tax which may be imposed upon insurers writing premiums in the state of incorporation, using the level of premiums written in Florida, in Column B.

**Line 9. Annual and Quarterly Statement Filing Fee**
Enter the total annual and quarterly statement filing fees from Page 1, Line 9 in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation in Column B.

**Line 10. Annual License Tax and Certificate of Authority**
Enter the amount paid to the State of Florida for the annual license tax and the certificate of authority of the insurer in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation in Column B.

**Line 11. Agents’ Fees**
Enter the agents’ fees paid by the insurer or agent to the State of Florida in Column A. Enter any like or similar fee imposed upon insurers writing premiums in the state of incorporation in Column B.

**Line 12. Other Taxes and Fees**
Enter any other taxes and fees which may be imposed upon insurers writing premiums in the state of Florida or the state of incorporation in Column A and Column B, respectively. Please include a schedule itemizing each of these taxes or fees.

- **Any Capital Investment Tax Credit** claimed on Schedule III, Line 8, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation’s insurance premium tax on this line in Column B.

- **Any Community Contribution Tax Credit** claimed on Schedule III, Line 7, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation’s insurance premium tax on this line in Column B.

- **Any Florida Tax Credit Scholarship Program Credit** claimed on Schedule III, Line 9, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation’s insurance premium tax on this line in Column B.

- **Any New Markets Tax Credit** claimed on Schedule III, Line 10, should be included in the amount on this line in Column A. Include any similar credit against the state of incorporation’s insurance premium tax on this line in Column B.

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or corporate income taxes as provided in subsection (1) and which are not needed for purposes of this part shall be paid by the insurer to the Department of Revenue for deposit with the Chief Financial Officer to the credit of the General Revenue Fund.

When FLAHIGA refunds money to an insurer from a previous assessment that was paid by the insurer, and the insurer had claimed credit or partial credit against its insurance premium tax or corporate income tax for that previous payment to FLAHIGA, the insurer is required to pay part of that refund to the Department of Revenue.

**Line 1. Total Payment Due from FLAHIGA Refund**

Enter any payment due as a result of FLAHIGA assessments claimed as credits against Florida insurance premium tax (Form DR-908, Schedule VII) or Florida corporate income tax (Florida Form F-1120, Schedule V) subsequently refunded by FLAHIGA in calendar year 2018. **If no refund was received from FLAHIGA during the tax year, the amount on Schedule XVII, Line 1, should be zero.** Add this amount to the total surcharge from Schedule XVI and enter the result on Page 1, Line 10.

**Example .001 Rate**

ABC Insurance Company paid a $200,000 Class B FLAHIGA assessment in 1995. On its 1997 – 2004 insurance premium tax returns, ABC claimed FLAHIGA credits of $200 ($200,000 X .001) each year for its 1995 payment to FLAHIGA. The total FLAHIGA credit taken by ABC, based on the 1995 FLAHIGA assessment, was $1,600 ($200 for 8 years). In 2005 FLAHIGA issued ABC a refund of $40,000 from the 1995 assessment. Per s. 631.72(3) F.S., a $320 payment is due to the Department of Revenue in 2005 from that refund ($40,000 X .001 X 8 years). The $320 that is due to the Department of Revenue in 2005 is a repayment of the FLAHIGA credits that the insurer had already claimed in tax years 1999 through 2004 against its insurance premium tax or corporate income tax for the $40,000 that was refunded by FLAHIGA. For tax years 2005 and thereafter, ABC should only use a payment of $160,000 to FLAHIGA for its 1995 assessment when computing its FLAHIGA credit.

**Example .05 Rate**

ABC Insurance Company paid a $300,000 Class B FLAHIGA assessment in 1998. On its 1999 – 2004 insurance premium tax returns, ABC claimed FLAHIGA credits of $15,000 ($300,000 X .05) each year for its 1998 payment to FLAHIGA. The total FLAHIGA credit taken by ABC, based on the 1998 FLAHIGA assessment, was $90,000 ($15,000 for 6 years). In 2005, FLAHIGA issued ABC a refund of $30,000 from the 1998 assessment. Per s. 631.72(3), F.S., a $9,000 payment is due to the Department of Revenue in 2005 from that refund ($30,000 X .05 X 6 years). The $9,000 that is due to the Department of Revenue in 2005 is a repayment of the FLAHIGA credits that the insurer had already claimed in tax years 1999 through 2004 against its insurance premium tax or corporate income tax for the $30,000 that was refunded by FLAHIGA. For tax years 2005 and thereafter, ABC should only use a payment of $270,000 to FLAHIGA for its 1998 assessment when computing its FLAHIGA credit.

From the examples above, the total amount that ABC is required to pay under s. 631.72(3), F.S., to the Department of Revenue in 2005 is:

\[
\begin{align*}
&40,000 \times 0.001 \times 8 = 320.00 \\
&30,000 \times 0.05 \times 6 = 9,000.00 \\
&\text{TOTAL DUE} = 320.00 + 9,000.00 = 9,320.00
\end{align*}
\]

- The amount of payment due from FLAHIGA refunds should be based on the actual FLAHIGA credits taken by the insurer against its insurance premium tax or corporate income tax that were the result of the previous corresponding FLAHIGA assessment(s). If an insurer did not claim a FLAHIGA credit based upon the previous corresponding FLAHIGA assessment(s), no payment is required.
- The amount of the payment due from FLAHIGA refunds is not considered when determining whether the proper installments of tax were paid for the tax year.
- The amount of the payment due from FLAHIGA refunds is not included in the computation of the 27 percent (.27) exception for installment payments in the following tax year.

Like the FLAHIGA assessments, the FLAHIGA refund and the payment due from the FLAHIGA refund may not be included in the retaliatory tax computation.

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**References**

*The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).*

- Form DR-908 | Insurance Premium Taxes and Fees Return | Rule 12B-8.003, F.A.C.
- Form RT-6 | Employer’s Quarterly Report | Rule 73B-10.037, F.A.C.
- Form RTS-71 | Quarterly Concurrent Employment Report | Rule 73B-10.037, F.A.C.
- Form DR-907 | Florida Insurance Premium Installment Payment | Rule 12B-8.003, F.A.C.
- Form F-1120 | Florida Corporate Income/Franchise Tax Return | Rule 12C-1.051, F.A.C.
The Department of Revenue has created a database that insurers may use in assigning premiums and policies to the various participating local taxing jurisdictions. It is available for free at floridarevenue.com/taxes/pointmatch. This database was created pursuant to sections (ss.) 175.1015 and 185.085, Florida Statutes (F.S.). In addition to completing Schedules XII and XIII, you must answer Question B on Form DR-908, Page 2, about your use of the Department’s database.

These statutes provide that insurers who exercise due diligence in using the Department’s database to assign premiums to the participating local taxing jurisdictions shall be held harmless from any liability, including but not limited to liability for taxes, interest, or penalties that would otherwise be due as a result of an assignment of premiums to an incorrect local taxing jurisdiction. Sections 175.1015 and 185.085, F.S., specify that insurance companies that do not use the electronic database provided by the Department and do not exercise due diligence in applying the electronic database, are subject to a .5 percent (.005) penalty on the total premium per policy that is improperly assigned.

We review the figures reported on Schedules XII and XIII of your 2018 Insurance Premium Taxes and Fees Return (Form DR-908). You should include a written explanation with your return if a significant variance exists between the figures reported on your 2017 and 2018 returns. A significant variance is considered an increase or decrease of greater than 10 percent for any municipality or fire control district.

Your explanation should contain specific information. All explanations are subject to review by the Department of Management Services and the Department of Financial Services. Generally, more precise information than explanations such as “shift of business” or “business transfers” is required. If you are not sure your explanation will be acceptable, call the Department of Management Services at 850-922-0667.

Give careful attention to the amounts reported on Schedules XII and XIII. The monies reported by your company for each of these cities and districts fund retirement benefits for their police officers and firefighters. The money is distributed back to each local taxing jurisdiction based on the information reported.

When completing Schedules XII and XIII:

- Report premiums based on the actual physical location of the property.
- Do not use ZIP codes to report premiums as they may not identify the appropriate city or district and can result in an inaccurate allocation of premiums.

Premiums must be reported accurately and timely. The Department of Financial Services, in Informational Memorandum 99-111M, reminded insurers authorized to write property and casualty insurance in the State of Florida of the requirements contained in Chapters 175 and 185, F.S. Insurers are required to keep an accurate account of all premiums sold within the city limits or fire control district boundaries for those cities and districts listed on Schedules XII and XIII. Each risk required to be reported to the Department of Revenue must be coded with the proper identifying fire district or municipality code in order for the Department of Management Services to accurately distribute premium tax allocations to the participating pension funds. Sections 175.151 and 185.13, F.S., provide that an insurer’s certificate of authority may be cancelled or revoked if an insurer fails to comply with the provisions of Chapters 175 and 185, F.S.

(Continued on back)
Chapters 175 and 185, F.S., taxes are administered by three different state agencies:

- The Florida Department of Financial Services, Office of Insurance Regulation has the authority to impose the .5 percent (.005) penalty relating to the address database and insured risks not properly assigned to participating local taxing jurisdictions.
- The Florida Department of Management Services, Division of Retirement, Municipal Police Officers’ and Firefighters’ Retirement Trust Funds Office:
  - Administers the retirement trust funds.
  - Distributes monies to the local taxing jurisdictions.
  - Notifies the Office of Insurance Regulation when insurers fail to comply.
- The Florida Department of Revenue:
  - Administers the database.
  - Produces, distributes, and processes the insurance premium tax forms.
  - Collects Chapters 175 and 185, F.S., taxes on Forms DR-907 and DR-908.
  - Contacts insurers when there is a variance in reported premiums between the current year and prior year for the local taxing jurisdictions. This review helps ensure that the proper amount(s) are reported by the insurer to the proper local taxing jurisdictions.

### Types of Premiums subject to Form DR-908 Schedules XII (Firefighters’ Pension Trust Funds) and XIII (Police Officers’ Retirement Trust Funds)

<table>
<thead>
<tr>
<th>Annual Statement Line Number &amp; Line of Business</th>
<th>Premiums Subject to Firefighters’ Pension Trust Fund (DR-908, Schedule XII)</th>
<th>Premiums Subject to Police Officers’ Retirement Trust Fund (DR-908, Schedule XIII)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Fire</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>2.1 Allied Lines</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>3 Farmowners multiple peril</td>
<td>YES (70%)</td>
<td>YES (30%)</td>
</tr>
<tr>
<td>4 Homeowners multiple peril</td>
<td>YES (70%)</td>
<td>YES (30%)</td>
</tr>
<tr>
<td>5.1 Commercial multiple peril (non-liability portion)</td>
<td>YES (70%)</td>
<td>YES (30%)</td>
</tr>
<tr>
<td>5.2 Commercial multiple peril (liability portion)</td>
<td>YES (70%)</td>
<td>YES (30%)</td>
</tr>
<tr>
<td>12 Earthquake</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>19.1 Private passenger auto no-fault (personal injury protection)</td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>19.2 Other private passenger auto liability</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>19.3 Commercial auto no-fault (personal injury protection)</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>19.4 Other commercial auto liability</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>21.1 Private passenger auto physical damage</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>21.2 Commercial auto physical damage</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>22 Aircraft (all perils)</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>23 Fidelity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 Burglary and theft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34 Aggregate write-ins for other lines of business (meeting the definition of property insurance in s. 624.604, F.S.)</td>
<td>YES</td>
<td></td>
</tr>
</tbody>
</table>
**References**

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

| Form DR-908 | Insurance Premium Taxes and Fees Return | Rule 12B-8.003, F.A.C. |
| Form DR-907 | Florida Insurance Premium Installment Payment | Rule 12B-8.003, F.A.C. |
SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12C-1.013, F.A.C., incorporate statutory changes made to Florida Corporate Income Tax by Chapter 2018-119, L.O.F., and address the effect that the repeal of the federal corporate Alternative Minimum Tax made by the Tax Cuts and Jobs Act, Public Law 115-97, will have on Florida Alternative Minimum Tax.

The proposed amendments to Rule 12C-1.0155, F.A.C., update an outdated statutory reference.

The proposed amendments to Rule 12C-1.0191, F.A.C., clarify how a carryover arising from the capital investment tax credit should be computed.

The proposed amendments to Rule 12C-1.034, F.A.C., incorporate statutory changes made to estimated corporate income tax by Sections 6 and 7, Chapter 2018-6, L.O.F.

The proposed amendments to Rule 12C-1.051, F.A.C., incorporate statutory changes into six forms used to administer Florida Corporate Income Tax.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed changes are necessary to implement statutory changes and to provide citizens with accurate information.
FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

JULY 18, 2018

A Notice of Proposed Rule Development was published in the Florida Administrative Register on July 2, 2018 (Vol. 44, No. 128, p. 3096-3097), to advise the public of the proposed changes to Rules 12C-1.013, 12C-1.0155, 12C-1.0191, 12C-1.034, and 12C-1.051, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on July 18, 2018. No request was received, and no workshop was held. No written comments were received by the Department.

SUMMARY OF PUBLIC MEETING

AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for changes to Rules 12C-1.013, 12C-1.0155, 12C-1.0191, 12C-1.034, and 12C-1.051, F.A.C. A notice for the public hearing was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3648-3649).
SUMMARY OF RULE HEARING

OCTOBER 10, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 14, 2018 (Vol. 44, No. 180, pp. 4219-4224), to advise the public of the proposed changes to Rules 12C-1.013, 12C-1.0155, 12C-1.0191, 12C-1.034, and 12C-1.051, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 10, 2018. No request was received, and no hearing was held.

Written comments were received from the staff of the Joint Administrative Procedures Committee. A notice of change was published in the Florida Administrative Register on November 6, 2018 (Vol. 44, No. 217, p. 5105), providing requested changes. The changes to Rules 12C-1.013 and 12C-1.051, F.A.C, corrected the wording of a cross reference and the title of a form, respectively. The final rule language presented for adoption today reflects these changes.
STATE OF FLORIDA  
DEPARTMENT OF REVENUE  
CHAPTER 12C-1, FLORIDA ADMINISTRATIVE CODE  
CORPORATE INCOME TAX  
AMENDING RULES 12C-1.013, 12C-1.0155, 12C-1.0191, 12C-1.034 AND 12C-1.051

12C-1.013 Adjusted Federal Income Defined.  
(1) through (3) No change.  
(4)(a) No change.  
(b) In calculating alternative minimum tax due pursuant to Section 220.11(3), F.S., an adjustment to the addition of exempt interest is provided. Cross reference: subparagraph 12C-1.013(19)(b)5., F.A.C. paragraph 12C-1.013(19)(e), F.A.C.  
(c) through (e) No change.  
(5) through (13) No change.  
(14) Adjustments for excess s. 179, I.R.C., expense, special 50 percent bonus depreciation (s. 168(k), I.R.C.), and deferred cancellation of indebtedness income.  
(a) Additions Required:  
1. No change.  
2. Taxpayers are required to add back the amount of the federal deduction claimed as special 50 percent bonus depreciation under s. 168(k), I.R.C., for assets placed in service after December 31, 2007, and before January 1, 2027 January 1, 2021.  
3. No change.  
(b) through (j) No change.
(15) through (18) No change.

(19) Florida Alternative Minimum Tax.

(a) For taxable years beginning on or after January 1, 2018, no taxpayer is required to pay Florida Alternative Minimum Tax (AMT) because no corporate income taxpayer is required to pay federal AMT. However, a taxpayer with previously earned Florida AMT credits must compute Florida AMT to determine the amount of Florida AMT credit allowable against Florida corporate income tax.

(b)1. For taxable years beginning before January 1, 2018, a corporation subject to the Florida Income Tax Code may be required to pay an alternative minimum tax. Florida AMT alternative minimum tax is equal to 3.3 percent of the Florida alternative minimum taxable income. Corporations required to pay federal AMT alternative minimum tax must compute the amount of regular Florida corporate income tax and the amount of Florida alternative minimum tax (AMT) that may be due. The corporation is liable for whichever amount is greater.

2. (b) A taxpayer is not liable for the Florida AMT alternative minimum tax unless liable for the federal AMT alternative minimum tax. A taxpayer who is part of an affiliated group that filed a federal consolidated return and was not liable for federal AMT alternative minimum tax is not liable for Florida AMT when filing on a separate return basis. The entity is not subject to Florida AMT regardless of the amounts of federal tax preference items contained in the separate return. A corporation that is part of an affiliated group that filed a consolidated return for federal income tax purposes, and paid the federal AMT, must compute Florida AMT, even if it files a separate return for Florida. This requirement applies even if the individual corporation would not have been subject to federal AMT if a separate return had been filed.
3. (e) The computation of the Florida alternative minimum taxable income is similar to the computation of the regular Florida taxable income. The primary difference is the starting point for the computation. Florida uses federal alternative minimum taxable income (AMTI) as the starting point in determining Florida alternative minimum tax (AMT), after allowance of the federal exclusion amount provided in s. 55(d)(2), I.R.C., of the Internal Revenue Code.

4. (d) The adjustments, additions, and subtractions provided in Section 220.13, F.S., will be applied to the Florida alternative minimum taxable income amount to arrive at adjusted federal income. Therefore, the tax base is adjusted by the same type of adjustments, additions, and subtractions that are made to the regular federal taxable income when the regular Florida corporate income tax is being computed. Because different amounts may be included within the base (the “starting point”), there may be differences in the amounts of the adjustments, additions, and subtractions.

5. (e) An addition that must be made when computing the Florida AMT is for the amount of interest that is exempt for federal income tax purposes. Section 220.13(1)(a)2., F.S., requires that interest that is excluded from federal taxable income under s. 103(a), I.R.C., less the associated expenses, be added to the taxpayer’s federal taxable income. However, this subparagraph excludes 60 percent of the amounts already included in the federal alternative minimum taxable income, including. This would include interest on private activity bonds issued after August 7, 1986. If the federal Adjusted Current Earnings (ACE) adjustment includes interest exempt under s. 103(a), I.R.C., there is an exclusion of 60 percent of the amount included in the federal Adjusted Current Earnings ACE adjustment.

6.a. (f) An addition that is required when computing the
Florida AMT is for the federal net operating loss (NOL) deduction. When in computing adjusted federal taxable income on the Florida corporate income/franchise tax return form for regular Florida tax purposes, the taxpayer must add back the amount of the regular federal NOL net operating loss deduction. When in computing adjusted federal taxable income on the Florida return form for Florida AMT purposes, the taxpayer is only required to add back the amount of the federal AMT NOL net operating loss deduction.

b. 2. The Florida NOL net operating loss deduction (NOLD) allowed, for purposes of AMT, is the Florida portion of the federal loss apportioned to Florida as provided in this section. The Florida Income Tax Code does not create a separate NOL for AMT purposes.

c. 3. The Florida Income Tax Code does not limit the amount of the NOL deduction NOLD to 90 percent of the alternative minimum taxable income before the NOL deduction NOLD.

d. 4. The amount of the Florida NOL net operating loss carryover is reduced by the amount of the NOL net operating loss deduction used in computing the Florida corporate income tax, whether AMT or regular corporate income tax is finally determined to be due.

e. 5. As with regular Florida corporate income tax, the use of an NOL net operating loss carryover is not optional. It will be deemed used if it is available.

f. 6. Cross reference: subsection 12C-1.013(15), F.A.C.

7. (g) Another possible adjustment when in computing the Florida AMT is would be the depreciation adjustment for Election A and Election B taxpayers. If there is an adjustment that is required when in computing the federal AMT to the depreciation expense for property placed in service between January 1, 1981, and December 31, 1986, then the amount of adjustment required is would be different when Florida the AMT is computed.

8. (h) The Florida Income Tax Code allows the income tax credits listed in Section 220.02(8)
220.02(10), F.S. to be used against the amount of Florida AMT alternative minimum tax due.

The use of a tax credit against Florida the AMT is not optional and a credit will be deemed used if it is available.

9. (i) If the Florida AMT is paid, an alternative minimum tax credit is allowed by Section 220.186, F.S., in subsequent years. Cross reference: Rule 12C-1.0186, F.A.C.

(20) through (21) No change.

Rulemaking Authority 213.06(1), 220.51 FS., Section 3, Chapter 2009-192, L.O.F. Law
 Implemented 220.02(3), 220.03(5), 220.13, 220.131(1), 220.43(1), (3) FS. History–New 10-20-72, Amended 1-19-73, 10-20-73, 10-8-74, 4-21-75, 5-10-78, 11-13-78, 12-18-83, Formerly 12C-1.13, Amended 12-21-88, 12-7-92, 5-17-94, 10-19-94, 3-18-96, 10-2-01, 4-14-09, 6-28-10, 7-20-11, 1-10-17,——.

12C-1.0155 Sales Factor for Apportionment.

(1) No change.

(2) Florida sales. The numerator of the sales factor includes gross receipts attributed to Florida which were derived by the taxpayer from transactions and activities in the regular course of its trade or business. All interest income, service charges, carrying charges, or time-price differential charges incident to such gross receipts shall be included, regardless of the place where the account records are maintained or the location of the contract or other evidence of indebtedness.

(a) through (f) No change.

(g) Telecommunications. For purposes of this rule, gross receipts from telecommunications services include those earned by the offering of telecommunications for a fee directly to the
public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used defined by Section 203.012(2), F.S.

1. through 2. No change.

(h) through (l) No change.

(3) through (4) No change.

Rulemaking Authority 213.06(1), 220.51 FS. Law Implemented 220.15, 220.44 FS. History—New 5-17-94, Amended 3-18-96, 10-2-01, _____.

12C-1.0191 Capital Investment Tax Credit Program.

(1) Qualifying projects defined in Sections 220.191(1)(g)1. and 2., F.S.

(a) No change.

(b)1. The maximum annual amount of Capital Investment Tax Credit is limited to 5 percent of the certified eligible capital costs of the qualifying project, for a period not to exceed 20 years, beginning with the commencement of the project’s operations. The tax credit may not be carried forward or backward, except as noted in subparagraph 2. The sum of all capital investment tax credits cannot exceed 100 percent of the eligible capital costs of the project.

2. A carryover of credit is available for a qualifying business that invested at least $100 million and is eligible to claim the credit against 100 percent of its corporate income tax liability pursuant to Section 220.191(2)(a)1., F.S. Unused credits from the 20-year credit period may be claimed in the 21st through 30th tax years after commencement of operations of such qualifying project, as long as the unused amount results from an insufficient tax liability on the part of the qualifying business.
3. The amount of carryover from any one taxable year is five (5) percent of the cumulative capital investment that is at least $100 million less the amount of capital investment tax credit that could be used on the tax return for the taxable year. The amount of carryover from a taxable year may not exceed five (5) percent of the cumulative capital investment that is at least $100 million.

4. Example: Taxpayer A is entitled to a capital investment credit in 2018 because it made a cumulative capital investment of $100 million; the 2018 corporate income tax due on the income generated by or arising out of its capital investment is $4 million; and the tax liability on its corporate income tax return was $4.5 million. From the 2018 taxable year, Taxpayer A generated a capital investment carryover of $1 million ($5 million less the lesser of $4.5 million or $4 million).

5. Example: Taxpayer B is entitled to a capital investment credit in 2020 because it made a cumulative capital investment of $100 million; the 2020 corporate income tax due on the income generated by or arising out of its capital investment is $3.5 million; and the corporate income tax liability on its tax return was $3 million. From the 2020 taxable year, Taxpayer B generated a capital investment carryover of $2 million ($5 million less the lesser of $3 million or $3.5 million).

(2) through (6) No change.

Rulemaking Authority 213.06(1), 220.191(8), 220.51 FS. Law Implemented 220.191 FS. History–New 8-4-05, Amended 4-5-07, 4-26-10, 1-17-13, ___.

12C-1.034 Special Rules Relating to Estimated Tax.

(1) through (7) No change

(8) Overpayments of Estimated Tax.
(a)1. through 2. No change

3.a. No change

b. Example: A calendar year taxpayer in 2018 2016 amends the 2015 2013 Florida corporate income/franchise tax return pursuant to a federal adjustment that impacted Florida taxable income. The result of the amendment is that the taxpayer has overpaid the tax due for 2015 2013. The overpayment may be refunded or credited to the 2018 2016 estimated tax payments. The overpayment may not be credited to estimated tax payments for the 2016 or 2017 2014 or 2015 taxable year.

(b) No change

(c)1. No change

2. Example: A calendar year taxpayer requested an extension of the filing date for the 2016 Florida corporate income/franchise tax return from May 1, 2017, until November 1, 2017 October 1, 2017. The first payment of estimated tax for the succeeding tax year is due May 31, 2017. The 2016 return is filed on September 29, 2017. If the taxpayer requested that the overpayment of estimated tax be applied to the next tax year, the overpayment is applied effective May 31, 2017.

(d) through (e) No change

(9) Underpayment of estimated tax.

(a) No change

(b)1.a. through b. No change

c.(I) A contribution to an eligible nonprofit scholarship-funding organization (SFO) for a corporate income tax credit pursuant to Section 220.1875, F.S., reduces the amount required to meet the prior year exception referenced in sub-subparagraph a. For taxable years beginning
before January 1, 2018, the specific prior year exception amount reduced by a contribution to an SFO is determined by the date of contribution on the certificate of contribution issued by the SFO. For taxable years beginning on or after January 1, 2018, a taxpayer may, after earning a tax credit under Section 220.1875, F.S., reduce any estimated payment in that taxable year by the amount of the credit. Cross reference: Rule Chapter 12-29, F.A.C.

   c.(II) through (III) No change

   (IV) Example: A calendar year taxpayer remitted four estimated payments of $18,000 each on May 31, 2018; June 29, 2018; October 1, 2018; and December 31, 2018. The taxpayer also made a $17,000 contribution to an SFO and was issued a certificate of contribution on June 20, 2018, which generated a tax credit for the taxpayer. For the prior tax year ending December 31, 2017, corporate income tax of $90,000 was due. Taxpayer’s prior year exception computation is as follows:

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Current year: Total cumulative amount paid (or credited) from the beginning of the taxable year through the installment date indicated</td>
<td>18,000.00</td>
<td>36,000.00</td>
<td>54,000.00</td>
<td>72,000.00</td>
</tr>
<tr>
<td>(a) Prior year exception: Tax on prior year’s income using current year’s rates</td>
<td>25% of tax 22,500.00</td>
<td>50% of tax 45,000.00</td>
<td>75% of tax 67,500.00</td>
<td>100% of tax 90,000.00</td>
</tr>
<tr>
<td>(b) Cumulative donations timely made to SFOs for the taxable year. Certificate of contribution must be issued for the taxable year.</td>
<td>17,000.00</td>
<td>17,000.00</td>
<td>17,000.00</td>
<td>17,000.00</td>
</tr>
<tr>
<td>(c) The prior year exception adjusted for the credit for contributions to SFOs per Section 1002.395(5)(g), F.S., equals (a) less (b)</td>
<td>5,500.00</td>
<td>28,000.00</td>
<td>50,500.00</td>
<td>73,000.00</td>
</tr>
<tr>
<td>Installment meets prior year exception? To answer Yes, Current year must equal or exceed Prior year (c).</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Taxpayer has met the prior year exception for the first three installments through a combination of estimated payments and SFO credit so that estimated tax penalty and interest will not apply for the first, second, or third installment.
2.a. No change

b.(I) No change

(II) Example: Corporation C was part of affiliated group ABC, which filed a federal consolidated income tax return for the 2016 and 2017 2014 and 2015 tax years. For Florida corporate income/franchise tax purposes, Corporation C has always filed a separate return. On June 1, 2017 June 1, 2015, the stock of Corporation C was bought by Corporation X.

Corporation C has two taxable years for 2017 2015 for federal income tax purposes, and, therefore, for Florida corporate income/franchise tax purposes even though it has always filed a separate Florida corporate income/franchise tax return. For the first taxable year within 2017 2015 (January 1 through May 31, 2017 May 31, 2015), Corporation C may base estimated tax payments on a prior year exception (January 1, 2016, through December 31, 2016 January 1, 2014, through December 31, 2014). Corporation C may not use the prior year exception for the second taxable year within 2017 2015 (June 1, 2017, through December 31, 2017 June 1, 2015, through December 31, 2015). Furthermore, Corporation C cannot use a prior year exception for the 2018 2016 tax year.

3. No change

(c) through (i) No change.

(10) through (13) No change.

Rulemaking Authority 213.06(1), 220.24, 220.34(2)(f), 220.34(3), 220.51, 1002.395(13) FS.

Law Implemented 213.21, 220.131, 220.24, 220.241, 220.33, 220.34, 1002.395 FS. History–New 10-20-72, Amended 10-20-73, 7-27-80, 12-18-83, Formerly 12C-1.34, Amended 12-21-88, 4-8-92, 5-17-94, 3-18-96, 3-13-00, 9-28-04, 7-28-15, 1-10-17, 1-17-18,_____.

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### 12C-1.051 Forms.

(1) No change

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<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
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<tbody>
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<td>(2)</td>
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<td>(3)(a)</td>
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<tr>
<td>(b) F-1065N</td>
<td>Instructions for Preparing Form F-1065 Florida Partnership Information Return (R. 01/17)</td>
<td>01/19 01/17</td>
</tr>
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<td>(4) F-1120A</td>
<td>Florida Corporate Short Form Income Tax Return (R. 01/18)</td>
<td>01/19 01/18</td>
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<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-08987">http://www.flrules.org/Gateway/reference.asp?No=Ref-08987</a>)</td>
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<td>(5)(a) F-1120</td>
<td>Florida Corporate Income/Franchise Tax Return (R. 01/17)</td>
<td>01/19 01/17</td>
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<td>(<a href="http://www.flrules.org/Gateway/reference.asp?No=Ref-07767">http://www.flrules.org/Gateway/reference.asp?No=Ref-07767</a>)</td>
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<td>(b) F-1120N</td>
<td>Instructions for – Corporate Income/Franchise Tax Return for taxable years beginning on or after January 1, 2018 (R. 01/18)</td>
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<td>(6)</td>
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<td>(7)(a)</td>
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<tr>
<td>(b) F-1120XN</td>
<td>Instructions for Preparing Form F-1120X Amended Florida Corporate Income/Franchise Tax Return (R. 01/16)</td>
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<td>(8) through (12)</td>
<td>No change</td>
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<tr>
<td>(13) F-2220</td>
<td>Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax (R. 01/18)</td>
<td>01/19 01/18</td>
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</tbody>
</table>
(14) No change.

Rulemaking Authority 213.06(1), 220.192(7), 220.193(4), 220.196(4), 220.51, 1002.395(13) FS.

Law Implemented 119.071(5), 212.08(5)(p), 213.755(1), 220.11, 220.12, 220.13(1), (2), 220.15, 220.16, 220.181, 220.182, 220.183, 220.184, 220.1845, 220.185, 220.186, 220.1875, 220.1895, 220.1896, 220.1899, 220.191, 220.192, 220.193, 220.194, 220.195, 220.196, 220.21, 220.211, 220.22, 220.221, 220.222, 220.23, 220.24, 220.241, 220.31, 220.32, 220.33, 220.34, 220.41, 220.42, 220.43, 220.44, 220.51, 220.721, 220.723, 220.725, 220.737, 220.801, 220.803, 220.805, 220.807, 220.809, 221.04, 624.5105, 624.51055, 1002.395 FS. History–New 9-26-77, Amended 12-18-83, Formerly 12C-1.51, Amended 12-21-88, 12-31-89, 1-31-91, 4-8-92, 12-7-92, 1-3-96, 3-18-96, 3-13-00, 6-19-01, 8-1-02, 6-19-03, 3-15-04, 9-24-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 1-27-09, 1-11-10, 4-26-10(12)(a), (b), 4-26-10(13)(a), (b), 6-28-10, 1-12-11, 6-6-11, 1-25-12, 1-17-13, 3-12-14, 1-19-15, 1-11-16, 1-10-17, 1-17-18,______.
General Instructions

Who Must File Florida Form F-1065?
Every Florida partnership having any partner subject to the Florida Corporate Income Tax Code must file Florida Form F-1065. A limited liability company with a corporate partner, if classified as a partnership for federal tax purposes, must also file Florida Form F-1065. A Florida partnership is a partnership doing business, earning income, or existing in Florida.

Note: A foreign (out-of-state) corporation that is a partner in a Florida partnership or a member of a Florida joint venture is subject to the Florida Income Tax Code and must file a Florida Corporate Income/Franchise Tax Return (Florida Form F-1120).

A corporate taxpayer filing Florida Form F-1120 may use Florida Form F-1065 to report the distributive share of its partnership income and apportionment factors from a partnership or joint venture that is not a Florida partnership.

Where to File
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0135

When to File
You must file Florida Form F-1065 on or before the first day of the fourth month following the close of your taxable year.

If the due date falls on a Saturday, Sunday, or federal or state holiday, the return is considered to be filed on time if postmarked on the next business day.

Extension of Time to File
To apply for an extension of time for filing Florida Form F-1065, you must complete Florida Form F-7004, Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return.

You must file Florida Form F-7004 to extend your time to file. A copy of your federal extension alone will not extend the time for filing your Florida return. See Rule 12C-1.0222, Florida Administrative Code (F.A.C.), for information on the requirements that must be met for your request for an extension of time to be valid.

Extensions are valid for six months. You are only allowed one extension.

Attachments and Statements
You may use attachments if the lines on Florida Form F-1065 or on any schedules are not sufficient. They must contain all the required information and follow the format of the schedules of the return. Do not attach a copy of the federal return.

Signature and Verification
An officer or person authorized to sign for the entity must sign all returns. An original signature is required. We will not accept a photocopy, facsimile, or stamp. A receiver, trustee, or assignee must sign any return required to be filed for any organization.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN).
- Preparer tax identification number (PTIN).

Rounding Off to Whole-Dollar Amounts
Whole-dollar amounts may be entered on the return and accompanying schedules. To round off dollar amounts, drop amounts less than 50 cents to the next lowest dollar and increase amounts from 50 cents to 99 cents to the next highest dollar. If you use this method on the federal return, you must use it on the Florida return.

Taxable Year and Accounting Methods
The taxable year and method of accounting must be the same for Florida income tax as it is for federal income tax. If you change your taxable year or your method of accounting for federal income tax, you must also change the taxable year or method of accounting for Florida income tax.

Final Returns
If the partnership ceases to exist, write “FINAL RETURN” at the top of the form.

General Information Questions
Enter the FEIN. If you do not have an FEIN, obtain one from the Internal Revenue Service (IRS). You can:

- Apply online at irs.gov
- Apply by mail with IRS Form SS-4. To obtain this form, download or order it from irs.gov or call 800-829-3676.

Enter the Principal Business Activity Code that applies to Florida business activities. If the Principal Business Activity Code is unknown, see the IRS “Codes for Principal Business Activity” section of federal Form 1065.

General Information
Both the income and the apportionment factors are considered to “flow through” to the members of a partnership or joint venture.

Use parts I and II of the Florida Partnership Information Return to determine each partner’s share of the Florida partnership income adjustment.
Parts III and IV are used to determine the adjustment that must be made to each partner’s apportionment factors. For example, a corporate partner’s share of the partnership’s sales within Florida will be added to the corporation’s sales within Florida. The partner’s share of the partnership’s “everywhere sales” will be added to the corporation’s “everywhere sales.” The corporation’s sales apportionment factor, as reflected on Schedule III of Florida Form F-1120, will be equal to:

\[
\frac{(\text{corporation's Florida sales} + \text{share of partnership's Florida sales})}{\text{(corporation's everywhere sales} + \text{share of partnership's everywhere sales})}
\]

**Part I. Florida Adjustment to Partnership Income**

**Line A. Additions to federal income**

1. **Federal tax-exempt interest**
   Enter the amount of interest which is excluded from ordinary income under section (s.) 103(a), Internal Revenue Code (IRC), or any other federal law, less the associated expenses disallowed in computing ordinary income under s. 265, IRC, or any other law.

2. **State income taxes deducted in computing federal ordinary income**
   Enter the sum of any tax on or measured by income, which is paid or accrued as a liability to the District of Columbia or any state of the United States and is deductible from gross income in computing federal ordinary income for the taxable year. You should exclude taxes based on gross receipts or revenues.

3. **Other additions**
   Enter any other items you are required to add as an adjustment to calculate adjusted federal income.

**Line B. Subtractions from federal income**

Enter any items required to be subtracted as an adjustment to calculate adjusted federal income.

For example, s. 220.13(1)(e), F. S., provides for a subtraction taken equally over a seven year period corresponding to the add back to adjusted federal income for the special bonus depreciation.

**Line C. Subtotal**

Subtract Line B from Line A.

**Line D. Net adjustment from other partnerships or joint ventures**

If, because of Florida changes, the partnership’s share of income from other partnerships or joint ventures is different from the amount included in federal taxable income, you must make an appropriate adjustment on Line D. Attach a schedule explaining any adjustment.

**Line E. Partnership income adjustment**

Calculate the total partnership income adjustment (sum of Lines C and D). Enter net increases to income on Line 1. Enter net decreases to income on Line 2.

**Part II. Distribution of Partnership Income Adjustment**

Distributing each partner’s share of the total partnership income adjustment (Part I, Line E) is accomplished in Part II.

Each corporate partner must enter its share of the adjustment in Column (c) on its Florida Corporate Income/ Franchise Tax Return (Florida Form F-1120). It should enter increases under “Other Additions” on Schedule I, Florida Form F-1120 and should enter decreases under “Other Subtractions” on Schedule II, Florida Form F-1120.

**Part III. Apportionment Information**

You must complete this part if either the partnership or any of the partners subject to the Florida Income Tax Code does business outside Florida.

Florida taxpayers doing business outside the state must apportion their business income to Florida based on a three-factor formula. There are exceptions to this three-factor formula for insurance companies, transportation services, citrus processing companies, taxpayers granted permission to use a single sales factor under s. 220.153, F.S., and taxpayers who were given prior permission by the Department to apportion income using a different method under s. 220.152, F.S.

The three-factor formula measures Florida’s share of adjusted federal income by ratios of the taxpayer’s property, payroll, and sales in Florida, to total property, payroll, and sales found or occurring everywhere.

For more information about apportioning income see s. 220.15, F.S., and Rule 12C-1.015, F.A.C.
III-A, Line 1 (and Part III-C). Average value of property

The property factor is a fraction. The numerator of this fraction is the average value of real and tangible personal property owned or rented and used during the taxable year in Florida. The denominator is the average value of such property owned or rented and used everywhere during the taxable year. The property factor for corporations included within the definition of financial organizations must also include intangible personal property, except goodwill.

Property owned is valued at original cost, without regard to accumulated depreciation. Property rented is valued at eight times the net annual rental rate. You must reduce the net annual rental rate by the annual rental rate received from sub-rentals.

In Part III-C, Lines 1 through 4, enter the beginning-of-year and end-of-year balances for property owned and used within Florida, as well as property owned and used everywhere. Place the total value of the columns on Line 5. Calculate the average values as provided on Lines 6 and 7. Enter the Florida average in Part III-A, Line 1, Column (a). Enter the average everywhere in Part III-A, Line 1, Column (b).

III-A, Line 2. Salaries, wages, commissions, and other compensation

The payroll factor is a fraction. The numerator of this fraction is the total amount paid to employees in Florida during the taxable year for compensation. The denominator is the total compensation paid to employees everywhere during the taxable year. Enter the numerator in Part III-A, Line 2, Column (a) and enter the denominator in Part III-A, Line 2, Column (b).

For purposes of this factor, compensation is paid within Florida if:

(a) The employee’s service is performed entirely within Florida, or

(b) The employee’s service is performed both within and without Florida, but the service performed outside Florida is incidental to the employee’s service, or

(c) Some of the employee’s service is performed in Florida and either the base of operations or the place from which the service is directed or controlled is in Florida, or the base of operations or place from which the service is controlled is not in any state in which some part of the service is performed and the employee’s residence is in Florida.

The partnership must attach a statement listing all compensation paid or accrued for the taxable year other than that as shown on federal Form 1125-A or page 1 of the federal Form 1065.

III-A, Line 3. Sales

The sales factor is a fraction. The numerator of this fraction is the total sales of the taxpayer in Florida during the taxable year. The denominator is the total sales of the taxpayer everywhere during the taxable year. Enter the numerator in Part III-A, Line 3, Column (a) and the denominator in Part III-A, Line 3, Column (b).

Florida defines the term “sales” as gross receipts without regard to returns or allowances. The term “sales” is not limited to tangible personal property, and includes:

(a) Rental or royalty income if such income is significant in the taxpayer’s business.

(b) Interest received on deferred payments of sales of real or tangible personal property.

(c) Sales of services.

(d) Income from the sale, licensing, or other use of intangible personal property such as patents and copyrights.

(e) For financial organizations, income from intangible personal property.

Sales will be attributable to Florida using these criteria:

(a) Sales of tangible personal property will be “Florida sales” if the property is delivered or shipped to a purchaser within Florida.

(b) Rentals will be “Florida sales” if the real or tangible personal property is in Florida.

(c) Interest received on deferred payments of sales of real or tangible personal property will be included in “Florida sales” if the sale of the property is in Florida.

(d) Sales of service organizations are within Florida if the services are performed in Florida.

For a financial organization, “Florida sales” will also include:

(a) Fees, commissions, or other compensation for financial services rendered within Florida.

(b) Gross profits from trading in stocks, bonds, or other securities managed within Florida.

(c) Interest, other than interest from loans secured by mortgages, deeds of trust, or other liens on real or tangible personal property found outside Florida.

(d) Dividends received within Florida.

(e) Interest charged to customers at places of business maintained within Florida for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts.
(f) Interest, fees, commissions, and other charges or gains from loans secured by mortgages, deeds of trust, or other liens on real or tangible personal property found in Florida or from installment sale agreements originally completed by a taxpayer or his agent to sell real or tangible personal property located in Florida.

(g) Any other gross income, including other interest resulting from the operation as a financial organization within Florida.

III-B. Special Industry Apportionment Fraction
Special methods of apportioning income by taxpayers providing insurance or transportation services are provided. For example, the income attributable to transportation services is apportioned to Florida by multiplying the adjusted federal income by a fraction. The numerator is the “revenue miles” within Florida and the denominator is the “revenue miles” everywhere. For transportation other than by pipeline, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for a consideration.

Part IV. Apportionment of Partners’ Share
Each partner’s share of the apportionment factors is determined by multiplying the amount in Part III-A, on Lines 1, 2, and 3 by the percentage interest of each partner. Amounts determined should be added to each partner’s apportionment factors included on its Florida Form F-1120.

Partnerships subject to a special industry apportionment fraction (for example, those engaged mainly in transportation services) should adjust this schedule to report each partner’s share of the special apportionment fraction (for example, revenue miles for transportation companies).

Contact Us

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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.
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<td>Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return</td>
<td>Rule 12C-1.051, F.A.C.</td>
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</tbody>
</table>
Who May File a Florida Corporate Short Form (Florida Form F-1120A)?

Corporations or other entities subject to Florida corporate income tax must file a Florida Corporate Income/Franchise Tax Return (Florida Form F-1120) unless they qualify to file a Florida Corporate Short Form Income Tax Return (Florida Form F-1120A).

A corporation qualifies to file Florida Form F-1120A if it meets ALL of the following criteria:

• It has Florida net income of $45,000 or less.
• It conducts 100 percent of its business in Florida.
• It does not report any additions to and/or subtractions from federal taxable income other than a net operating loss deduction and/or state income taxes, if any.
• It is not included in a Florida or federal consolidated corporate income tax return.
• It claims no tax credits other than tentative tax payments or estimated tax payments.

Online Filing Application for Florida Form F-1120A

We encourage Florida Corporate Short Form (Florida Form F-1120A) filers to use the Department’s online filing application. The software application will guide you through the process. Go to the Department’s website at floridarevenue.com for more information, to register, and to enroll for e-Services.

Online Filing Application for Florida Form F-1120A
If prepared by a person other than the taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct, and complete.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- A receiver, trustee, assignee, or other fiduciary must sign any return filed on behalf of the entity.

**Signature and Verification**

An officer or person authorized to sign for the entity must sign all returns. An original signature is required. We will not accept a photocopy, facsimile, or stamp. A receiver, trustee, assignee, or other fiduciary must sign any return filed on behalf of the entity.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN)
- Preparer tax identification number (PTIN)

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than the taxpayer, the declaration is based on all information of which the preparer has any knowledge.

**Who Must File a Florida Corporate Income/ Franchise Tax Return?**

Corporate income tax is imposed by section (s.) 220.11, Florida Statutes (F.S.):

- **All corporations** (including tax-exempt organizations) doing business, earning income, or existing in Florida.
- **Every bank and savings association** doing business, earning income, or existing in Florida.
- **All associations or artificial entities** doing business, earning income, or existing in Florida.
- **Foreign (out-of-state) corporations** that are partners or members in a Florida partnership or joint venture. A “Florida partnership” is a partnership doing business, earning income, or existing in Florida.
- **A limited liability company (LLC) classified as a corporation** for Florida and federal income tax purposes is subject to the Florida Income Tax Code and must file a Florida corporate income tax return.
- **An LLC classified as a partnership** for Florida and federal income tax purposes must file a Florida Partnership Information Return (Florida Form F-1065) if one or more of its owners is a corporation. In addition, the corporate owner of an LLC classified as a partnership for Florida and federal income tax purposes must file a Florida corporate income tax return.
- **A single member LLC disregarded for Florida and federal income tax purposes** is not required to file a separate Florida corporate income tax return. The income must be reported on the owner’s return if the single member LLC is owned, directly or indirectly, by a corporation. The corporation must file Florida Form F-1120, reporting its own income and the income of the single member LLC, even if the only activity of the corporation is ownership of the single member LLC.
- **Homeowner and condominium associations** that file federal Form 1120 (U.S. Corporation Income Tax Return) must file Florida Form F-1120 or F-1120A regardless of whether any tax may be due. If you file federal Form 1120-H (U.S. Income Tax Return for Homeowners Associations), you are not required to file a Florida return.
- **Political organizations** that file federal Form 1120-POL.
- **S corporations** that pay federal income tax on Line 22c of federal Form 1120S.
- **Tax-exempt organizations** that have “unrelated trade or business taxable income” for federal income tax purposes are subject to Florida corporate income tax and must file either Florida Form F-1120 or Florida Form F-1120A.

All taxpayers are required to answer questions A through J below.

A. If the corporation is incorporated in the State of Florida, check “Yes.” Otherwise, check “No” and enter the state or country of incorporation in the space provided.

B. If the corporation is registered with the Florida Secretary of State, check “Yes” and enter the document number. For information, contact the Department of State, Corporate Information, at 850-245-6052 or visit their website at sunbiz.org.

C. If the corporation timely filed a Florida Extension of Time (Florida Form F-7004), check “Yes.”

D. If the corporation paid federal income tax on Line 22c of federal Form 1120S, check “Yes.” (If yes, see instructions for Line 1 on Page 3)

E. If the corporation is a member of a controlled group of corporations as defined in section 1563 of the Internal Revenue Code (IRC), check “Yes” (see instructions for Line 4 on Page 3).

F. If this is an initial or first year return, check the box labeled “I.” If this is a final return, check the box labeled “F.” Note: If the corporation is still required to file an annual federal return do not check the “F” box.

G. Enter only the dollar amount of state income tax included in Line 2, Florida Form F-1120A (you should not include cents). If none, enter zero (0).

H. Enter the date of latest IRS audit.

I. Enter the Principal Business Activity Code that applies to your Florida business activities. If the Principal Business Activity Code is unknown, see the “Principal Business Activity Codes” section of the IRS instructions for federal Form 1120.

J. Enter the federal return filed with the IRS. For example:

   1120 or 1120S or 990T

**Contact Information**

- **Signature of officer**: Date
- **Signature of individual or firm preparing the return**: Date
- **Contact Email Address**: Preparer’s PTIN □ or FEIN □ (Check one)
- **Phone**:

**Who Must File a Florida Corporate Income/ Franchise Tax Return?**

- **All corporations** (including tax-exempt organizations) doing business, earning income, or existing in Florida.
- **Every bank and savings association** doing business, earning income, or existing in Florida.
- **All associations or artificial entities** doing business, earning income, or existing in Florida.
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- **Tax-exempt organizations** that have “unrelated trade or business taxable income” for federal income tax purposes are subject to Florida corporate income tax and must file either Florida Form F-1120 or Florida Form F-1120A.

All taxpayers are required to answer questions A through J below.

A. Incorporated in Florida? Other ____________

B. Registered with Florida Secretary of State? Document number ____________

C. A Florida extension of time was timely filed?

D. Corporation paid federal tax on Line 22c of federal Form 1120S?

E. Corporation is a member of a controlled group as defined by section 1563, IRC?

F. Mark box “I” if this is an initial return and/or mark box “F” if you filed a final federal return.

G. Amount of state income taxes included in Florida Form F-1120A, Line 2. If none, enter zero (0).

H. Enter date of latest IRS audit.

I. Principal Business Activity Code (as applies to Florida).

J. Type of federal return filed.
General Information

When is Florida Form F-1120A Due?
Generally, Florida Form F-1120A is due the later of:

(1) For tax years ending June 30, the due date is on or before the first day of the fourth month following the close of the tax year. For all other taxable year ends, the due date is on or before the first day of the fifth month following the close of the tax year. For example, Florida Form F-1120A is due on or before May 1, 2019 for a taxpayer with a tax year ending December 31, 2018; or

(2) The 15th day following the due date, without extension, for the filing of the related federal return for the taxable year. For example, if the federal return is due on May 15, the related Florida Form F-1120A is due on June 1.

You must file a return, even if no tax is due.

If the due date falls on a Saturday, Sunday, or state or federal holiday, the return is considered to be filed on time if postmarked on the next business day.

For a calendar of filing due dates for Florida corporate income tax returns go to the Department’s website at floridarevenue.com/taxes/cit/duedates.

Note: A late-filed return will subject a corporation to penalty, whether or not tax is due.

Extension of Time to File
To apply for an extension of time for filing Florida Form F-1120A, you must complete Florida Form F-7004, Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return. To obtain Florida Form F-7004 see “Contact Us” on page 4.

Go to the Department’s website for information on electronic filing and payment of tentative tax.

You must file Florida Form F-7004 to extend your time to file. A copy of your federal extension alone will not extend the time for filing your Florida return. See Rule 12C-1.0222, Florida Administrative Code (F.A.C.), for information on the requirements that must be met for your request for an extension of time to be valid.

Extensions are valid for six months, with the exception of extensions for taxpayers with a June 30 tax year end which are valid for seven months. Only one extension may be granted per tax year.

Payment of Tax
You must pay the tax due, as shown on Line 9 of the return, and either file your return or extension of time by the original due date. Payment must be in U.S. funds. If your tax payment is not on time, penalties and interest will apply.

Taxable Year and Accounting Methods
The taxable year and method of accounting must be the same for Florida income tax as it is for federal income tax. If you change your taxable year or your method of accounting for federal income tax, you must also change the taxable year or method of accounting for Florida income tax.

Rounding Off to Whole-Dollar Amounts
Whole-dollar amounts may be entered on the return. To round off dollar amounts, drop amounts less than 50 cents to the next lower dollar and increase amounts from 50 cents to 99 cents to the next higher dollar. If you use this method on the federal return, you must use it on the Florida return.

Federal Employer Identification Number (FEIN)
If you do not have an FEIN, obtain one from the IRS. You can:

• Apply online at irs.gov
• Apply by mail with IRS form SS-4. To obtain this form, download or order it from irs.gov or call 800-829-3676.

To Amend a Return
You must complete a Florida Form F-1120X to amend your Florida corporate income tax return if:

• You file an amended Federal return.

• A redetermination of federal income is made (for example, through an audit adjustment), and

• The adjustments would affect net income subject to the Florida corporate income/franchise tax.

Go to our website for Florida Form F-1120X with instructions.

Who Must Make Estimated Tax Payments?
If you expect the amount of income tax liability for the year to be more than $2,500, you must make a declaration of estimated tax for the taxable year using Florida Form F-1120ES. Payments may not be annualized. If the corporation’s expected tax liability is more than $2,500, you must file Florida Form F-1120. To obtain Florida Form F-1120ES, see “Contact Us” on page 4.

Line-by-Line Instructions

Line 1. Federal Taxable Income – Generally, corporations should enter the amount shown on Page 1, Line 30 of the federal Form 1120 or the corresponding line (taxable income) of the federal income tax return filed. If this amount is negative, check the box. S corporations should enter only the income subject to federal income tax at the corporate level and those S corporations answering no to Question D do not have to file a return unless requesting a refund.

Line 2. Net Operating Loss Deduction (NOLD) and State Income Taxes Deducted in Computing Federal Taxable Income – Enter the sum of:

(A) Any net operating loss deduction shown on Line 29(a) of the federal Form 1120 or on the matching line of other federal income tax forms, and

(B) Any tax on, or measured by, income paid or accrued as a liability to any U.S. state or the District of Columbia that is deducted from gross income in computing federal income for the taxable year. Exclude taxes based on gross receipts or revenues.

If you include state income taxes in Line 2, complete Question G on Page 2.

Use the following to calculate your Line 2 entry:

a. NOLD

b. State income taxes deducted in computing federal taxable income

c. Total – Add a and b, then enter this amount on Line 2.

Line 3. Florida Net Operating Loss Deduction (NOLD) – Enter the amount (if any) of the Florida net operating loss deduction on Line 3. For Florida corporate income tax, a net operating loss can never be carried back as a deduction to a prior taxable year. A net operating loss can only be carried over to later taxable years and treated in the same manner, to the same extent, and for the same time periods prescribed in section 172, IRC.

Line 4. Florida Exemption – Section 220.14, F.S., exempts up to $50,000 of net income. The exemption is the lesser of $50,000 or the Florida portion of adjusted federal income. If the taxable year is less than 12 months, you must prorate the $50,000 exemption. Multiply $50,000 by the number of days in the short tax year divided by 365. Only one $50,000 exemption is allowed to the members of a controlled group of corporations as defined in section 1563, IRC. If members of a controlled group file separate Florida returns the $50,000 exemption will be divided equally among all filing members unless all members consent to an apportionment plan for an unequal allocation of the Florida exemption.

Line 5. Florida Net Income – Subtract Lines 3 and 4 from the sum of Lines 1 and 2 and enter the difference on Line 5. (Line 1 plus Line 2 minus Line 3 minus Line 4.) If this amount is negative, check the box and enter zero (0) on Line 6.

Line 6. Corporate Income Tax Due – Enter 5.5 percent of Line 5. If Line 5 is zero (0) or less, enter zero (0) on Line 6. If this amount is $2,500 or greater, you cannot file Florida Form F-1120A. See “Contact Us” below for information on obtaining Florida Form F-1120.

Line 7. Payment Credits – Enter the total tentative tax paid with Florida Form F-7004 plus estimated tax payments, if any, made for the taxable year, or carryovers from previous years, plus the amount(s) shown on any corporate income tax credit memo(s) issued by the Department.
Line 8. Penalty and Interest – If penalties or interest apply, enter the total amount on this line.

Penalties

Late-Filed Return – The penalty for a late-filed return is 10 percent each month, or portion of a month, not to exceed 50 percent of the tax due with the return. If no tax is due and a return is filed late, the penalty is $50 each month or portion of a month, not to exceed $300.

Underpayment of Tentative Tax – The penalty for underpayment of tentative tax is 12 percent per year during the extension period on the underpaid amount. You must calculate the penalty from the original due date of the return.

Incomplete Return – For an incomplete return, the penalty is the greater of $300 or 10 percent of the tax finally determined to be due, not to exceed $10,000. An incomplete return is one that cannot be readily handled, verified, or reviewed.

Fraudulent Return – The penalty for filing a false or fraudulent return is 100 percent of the deficiency.

Electronic Filing – The penalty is 5 percent of the tax due for each month the return is not filed electronically. The penalty cannot exceed $250 in total. If no tax is due, the penalty is $10.

Interest – A floating rate of interest applies to underpayments, late payments, and overpayments of corporate income tax. We update the floating interest rate January 1 and July 1 of each year by using the formula established in s. 220.807, F.S. For information on current and prior period interest rates, visit the Department’s website at floridarevenue.com/taxes/rates.

Line 9. Total Amount Due or Overpayment – Subtract the amount shown on Line 7 from Line 6, add any amount shown on Line 8, and enter the result on Line 9.

If Line 9 is a negative amount, you have overpaid your Florida corporate income tax. To have this amount credited toward next year’s tax liability, place an “X” in Box 9a. To have this amount refunded, place an “X” in Box 9b. If you make no entry, the entire amount of overpayment will be credited to next year’s estimated tax. If Line 9 is a positive amount, this is the amount due. Make your check or money order payable to the Florida Department of Revenue. You must pay in U.S. funds.

Note: The election to apply an overpayment to the next year’s estimated tax is irrevocable. For more information, see Rule 12C-1.034(8), F.A.C., titled Special Rules Relating to Estimated Tax.

Remember:

✓ Make your check payable to the Florida Department of Revenue, write your FEIN on your check, and sign your check and return.
✓ Use an original form whenever possible to ensure proper recording and processing of your return and payment. Make any necessary corrections on the face of the return and complete a change of address on the Department’s website at floridarevenue.com/taxes/updateaccount
✓ Do not attach a copy of the federal return, supporting schedules, or worksheets at this time. The Department may, however, request them at a later date.
✓ To find filing due dates for the current year go to the Department’s website at floridarevenue.com/taxes/cit/duedates

Contact Us

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Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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<tr>
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<td>Amended Florida Corporate Income/Franchise Tax Return</td>
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<tr>
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<td>Declaration/Installment of Florida Estimated Income/ Franchise Tax</td>
<td>Rule 12C-1.051, F.A.C.</td>
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</table>
Florida Corporate Income/Franchise Tax Return

Name
Address
City/State/ZIP

Federal Employer Identification Number (FEIN)

For calendar year or tax year beginning _________________, 2015
ending ____________________

For calendar year or tax year ending _________________

US Dollars
Cents

Check here if any changes have been made to name or address

Do not detach coupon.

Payment Coupon for Florida Corporate Income Tax Return

To ensure proper credit to your account, enclose your check with tax return when mailing.

If 6/30 year end, return is due 1st day of the 4th month after the close of the taxable year, otherwise return is due 1st day of the 5th month after the close of the taxable year.

Enter name and address, if not pre-addressed:

Name
Address
City/St
ZIP

YEAR ENDING M M D D Y Y

US DOLLARS
CENTS

Total amount due from Line 17
Total credit from Line 18
Total refund from Line 19
FEIN Enter FEIN if not pre-addressed
14. a) Penalty: F-2220 
   b) Other 
   c) Interest: F-2220 
   d) Other 

Total of Lines 13 and 14  

16. Payment credits: Estimated tax payments 16a 
   Tentative tax payment 16b 

Total amount due: Subtract Line 16 from Line 15. If positive, enter amount due here and on payment coupon. If the amount is negative (overpayment), enter on Line 18 and/or Line 19 

18. Credit: Enter amount of overpayment credited to next year’s estimated tax here and on payment coupon 

19. Refund: Enter amount of overpayment to be refunded here and on payment coupon 

This return is considered incomplete unless a copy of the federal return is attached.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid preparers only

Preparer’s signature 

Firm’s name (or yours if self-employed) and address 

Preparer’s PTIN 

Preparer’s signature 

G-1. Corporation is a member of a controlled group? YES NO If yes, attach list.

Where to Send Payments and Returns

Make check payable to and mail with return to:

Florida Department of Revenue 
5050 W Tennessee Street 
Tallahassee FL 32399-0135 

If you are requesting a refund (Line 19), send your return to:

Florida Department of Revenue 
PO Box 6440 
Tallahassee FL 32314-6440 

Remember:

✓ Make your check payable to the Florida Department of Revenue. 
✓ Write your FEIN on your check. 
✓ Sign your check and return. 
✓ Attach a copy of your federal return. 
✓ Attach a copy of your Florida Form F-7004 (extension of time) if applicable.
### Schedule I — Additions and/or Adjustments to Federal Taxable Income

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<tr>
<td>2.</td>
<td>Undistributed net long-term capital gains (see instructions)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Net operating loss deduction (attach schedule)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Net capital loss carryover (attach schedule)</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Excess charitable contribution carryover (attach schedule)</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Employee benefit plan contribution carryover (attach schedule)</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Enterprise zone jobs credit (Florida Form F-1156Z)</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Ad valorem taxes allowable as enterprise zone property tax credit (Florida Form F-1158Z)</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Guaranty association assessment(s) credit</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Rural and/or urban high crime area job tax credits</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>State housing tax credit</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Florida tax credit scholarship program credits</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Renewable energy tax credits</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>New markets tax credit</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Entertainment industry tax credit</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Research and Development tax credit</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Energy Economic Zone tax credit</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>s.168(k), IRC special bonus depreciation</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Other additions (attach schedule)</td>
<td></td>
</tr>
</tbody>
</table>

### Schedule II — Subtractions from Federal Taxable Income

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross foreign source income less attributable expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Enter s. 78, IRC, income $</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) plus s. 862, IRC, dividends $</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) less direct and indirect expenses $</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Gross subpart F income less attributable expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Enter s. 951, IRC, subpart F income $</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) less direct and indirect expenses $</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Taxpayers doing business outside Florida enter zero on Lines 3 through 6, and complete Schedule IV.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Florida net operating loss carryover deduction (see instructions)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Florida net capital loss carryover deduction (see instructions)</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Florida excess charitable contribution carryover (see instructions)</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Florida employee benefit plan contribution carryover (see instructions)</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Nonbusiness income (from Schedule R, Line 3)</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Eligible net income of an international banking facility (see instructions)</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>s.179, IRC, expense (see instructions)</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>s. 168(k), IRC, special bonus depreciation (see instructions)</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Other subtractions (attach schedule)</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Total Lines 1 through 11. Enter total on Line 12 and on Page 1, Line 5.</td>
<td></td>
</tr>
</tbody>
</table>
### Schedule III — Apportionment of Adjusted Federal Income

#### III-A For use by taxpayers doing business outside Florida, except those providing insurance or transportation services.

<table>
<thead>
<tr>
<th></th>
<th>(a) WITHIN FLORIDA</th>
<th>(b) TOTAL EVERYWHERE</th>
<th>(c) Weight</th>
<th>(d) Weighted Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Numerator)</td>
<td>(Denominator)</td>
<td>Rounded to Six Decimal Places</td>
<td>Rounded to Six Decimal Places</td>
</tr>
<tr>
<td>1. Property</td>
<td></td>
<td></td>
<td>X 25% or ______</td>
<td></td>
</tr>
<tr>
<td>2. Payroll</td>
<td></td>
<td></td>
<td>X 25% or ______</td>
<td></td>
</tr>
<tr>
<td>3. Sales</td>
<td></td>
<td></td>
<td>X 50% or ______</td>
<td></td>
</tr>
</tbody>
</table>

#### III-B For use in computing average value of property (use original cost).

<table>
<thead>
<tr>
<th></th>
<th>WITHIN FLORIDA</th>
<th>TOTAL EVERYWHERE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Land owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Other tangible and intangible assets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### III-C Sales Factor

<table>
<thead>
<tr>
<th></th>
<th>(a) WITHIN FLORIDA</th>
<th>(b) TOTAL EVERYWHERE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### III-D Special Apportionment Fractions (see instructions)

<table>
<thead>
<tr>
<th></th>
<th>(a) WITHIN FLORIDA</th>
<th>(b) TOTAL EVERYWHERE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td></td>
<td>FLORIDA Fraction (a) ÷ (b)</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td>Rounded to Six Decimal Places</td>
</tr>
</tbody>
</table>

### Schedule IV — Computation of Florida Portion of Adjusted Federal Income

<table>
<thead>
<tr>
<th></th>
<th>1.</th>
<th>2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Apportionable adjusted federal income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Florida apportionment fraction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Tentative apportioned adjusted federal income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Net operating loss carryover apportioned to Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Net capital loss carryover apportioned to Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Excess charitable contribution carryover apportioned to Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Employee benefit plan contribution carryover apportioned to Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Total carryovers apportioned to Florida</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Adjusted federal income apportioned to Florida</td>
<td>Line 3 less Line 8</td>
<td>Line 9</td>
</tr>
</tbody>
</table>
## Schedule V — Credits Against the Corporate Income/Franchise Tax

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Florida health maintenance organization credit (attach assessment notice)</td>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
<td>Capital investment tax credit (attach certification letter)</td>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
<td>Enterprise zone jobs credit (from Florida Form F-1156Z attached)</td>
<td>3.</td>
</tr>
<tr>
<td>5.</td>
<td>Enterprise zone property tax credit (from Florida Form F-1158Z attached)</td>
<td>5.</td>
</tr>
<tr>
<td>7.</td>
<td>Urban high crime area job tax credit (attach certification letter)</td>
<td>7.</td>
</tr>
<tr>
<td>10.</td>
<td>Contaminated site rehabilitation tax credit (attach tax credit certificate)</td>
<td>10.</td>
</tr>
<tr>
<td>11.</td>
<td>State housing tax credit (attach certification letter)</td>
<td>11.</td>
</tr>
<tr>
<td>12.</td>
<td>Florida tax credit scholarship program credits (attach certificate)</td>
<td>12.</td>
</tr>
<tr>
<td>15.</td>
<td>New markets tax credit</td>
<td>15.</td>
</tr>
<tr>
<td>16.</td>
<td>Entertainment industry tax credit</td>
<td>16.</td>
</tr>
<tr>
<td>17.</td>
<td>Research and Development tax credit</td>
<td>17.</td>
</tr>
<tr>
<td>19.</td>
<td>Other credits (attach schedule)</td>
<td>19.</td>
</tr>
<tr>
<td>20.</td>
<td>Total credits against the tax (sum of Lines 1 through 19 not to exceed the amount on Page 1, Line 11). Enter total credits on Page 1, Line 12</td>
<td>20.</td>
</tr>
</tbody>
</table>

---

## Schedule R — Nonbusiness Income

**Line 1. Nonbusiness income (loss) allocated to Florida**

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total allocated to Florida ............................................................... 1.  
(Enter here and on Page 1, Line 8)

**Line 2. Nonbusiness income (loss) allocated elsewhere**

<table>
<thead>
<tr>
<th>Type</th>
<th>State/country allocated to</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total allocated elsewhere ............................................................. 2. 

**Line 3. Total nonbusiness income**

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grand total. Total of Lines 1 and 2............................................ 3. 
(Enter here and on Schedule II, Line 7)
### Estimated Tax Worksheet For Taxable Years Beginning On or After January 1,

1. Florida income expected in taxable year ................................................................. 1. $ __________
2. Florida exemption $50,000 (Members of a controlled group, see instructions on Page 14 of Florida Form F-1120N) ................................................................. 2. $ __________
3. Estimated Florida net income (Line 1 less Line 2) ................................................................. 3. $ __________
4. Total Estimated Florida tax (5.5% of Line 3) ................................................................. $ __________
   Less: Credits against the tax .......................................................................................... 4. $ __________

5. Computation of installments:

   Payment due dates and payment amounts: If 6/30 year end, last day of 4th month,
   otherwise last day of 5th month - Enter 0.25 of Line 4.............. 5a. ________________
   Last day of 6th month - Enter 0.25 of Line 4 ...................... 5b. ________________
   Last day of 9th month - Enter 0.25 of Line 4....................... 5c. ________________
   Last day of taxable year - Enter 0.25 of Line 4 ............... 5d. ________________

NOTE: If your estimated tax should change during the year, you may use the amended computation below to determine the amended amounts to be entered on the declaration (Florida Form F-1120ES).

1. Amended estimated tax ................................................................................................. 1. $ __________
2. Less:
   (a) Amount of overpayment from last year elected for credit to estimated tax and applied to date................................. 2a. $ __________
   (b) Payments made on estimated tax declaration (Florida Form F-1120ES).... 2b. $ __________
   (c) Total of Lines 2(a) and 2(b) .................................................................................. 2c. $ __________
3. Unpaid balance (Line 1 less Line 2(c)) ........................................................................ 3. $ __________
4. Amount to be paid (Line 3 divided by number of remaining installments) ............. 4. $ __________

### References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at floridarevenue.com/forms.

- Form F-2220 Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax Rule 12C-1.051, F.A.C.
- Form F-7004 Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return Rule 12C-1.051, F.A.C.
- Form F-1156Z Florida Enterprise Zone Jobs Credit Certificate of Eligibility for Corporate Income Tax Rule 12C-1.051, F.A.C.
- Form F-1158Z Enterprise Zone Property Tax Credit Rule 12C-1.051, F.A.C.
- Form F-1120N Instructions for Corporate Income/Franchise Tax Return Rule 12C-1.051, F.A.C.
- Form F-1120ES Declaration/Installment of Florida Estimated Tax Rule 12C-1.051, F.A.C.
The Florida Corporate Income Tax Code does not conform to first year federal bonus depreciation for property placed in service on or after January 1, 2015, and before January 1, 2027. Additions to and subtractions from federal taxable income are required. See section 220.13(1)(e), Florida Statutes (F.S.), for more information. Also see the instructions for Schedule I – Additions and/or Adjustments to Federal Taxable Income, line 18 on page 8 and Schedule II – Subtractions from Federal Taxable Income, line 10 on page 9.

Save Time and Paperwork with Electronic Filing.

You can file and pay your Florida corporate income tax return (Florida Form F-1120) electronically through the Internal Revenue Service’s (IRS) Modernized e-File (MeF) Federal/State Electronic Filing Program using electronic transmitters approved by the IRS and the Florida Department of Revenue. The Department also has an online application for corporate income tax payments and filing Florida forms F-1120A (Florida Corporate Short Form Income Tax Return), F-1120ES (Declaration/Installment of Florida Estimated Income/Franchise Tax), and F-7004 (Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return).

You must file and pay electronically if you paid $20,000 or more in tax during the State of Florida’s prior fiscal year (July 1 – June 30).

We encourage you to enroll for e-Services. When you enroll in our e-Services program you will receive a user ID and password. Advantages to enrolling are:

- your bank account and contact information are saved
- the ability to view your filing history
- the ability to reprint your returns
- the ability to view bills posted to your account

If you change your business name, location or mailing address, or close or sell your business, immediately notify the Department. The quickest way to notify us is online. Go to floridarevenue.com/taxes/updateaccount.

What’s Inside

- Who must file................................. p. 2
- When to file and pay ....................... p. 2
- Estimated tax................................. p. 4
- Special instructions ....................... p. 4
- Line-by-line instructions ............... p. 5
- Contact Information ...................... p. 16
General Information

Corporate income tax is imposed by section (s.) 220.11, Florida Statute (F.S.).

Who Must File a Florida Corporate Income/Franchise Tax Return?

- All corporations (including tax-exempt organizations) doing business, earning income, or existing in Florida.
- Every bank and savings association doing business, earning income, or existing in Florida.
- All associations or artificial entities doing business, earning income, or existing in Florida.
- Foreign (out-of-state) corporations that are partners or members in a Florida partnership or joint venture. A “Florida partnership” is a partnership doing business, earning income, or existing in Florida.
- A limited liability company (LLC) classified as a corporation for Florida and federal income tax purposes is subject to the Florida Income Tax Code and must file a Florida corporate income tax return.
- An LLC classified as a partnership for Florida and federal income tax purposes must file a Florida Partnership Information Return (Florida Form F-1065) if one or more of its owners is a corporation. In addition, the corporate owner of an LLC classified as a partnership for Florida and federal income tax purposes must file a Florida corporate income tax return.
- A single member LLC disregarded for Florida and federal income tax purposes is not required to file a separate Florida corporate income tax return. The income must be reported on the owner’s return if the single member LLC is owned directly or indirectly, by a corporation. The corporation must file Florida Form F-1120, reporting its own income and the income of the single member LLC, even if the only activity of the corporation is ownership of the single member LLC.
- Homeowner and condominium associations that file federal Form 1120 (U.S. Corporation Income Tax Return) must file Florida Form F-1120 or F-1120A regardless of whether any tax may be due. If you file federal Form 1120-H (U.S. Income Tax Return for Homeowners Associations), you are not required to file a Florida return.
- Political organizations that file federal Form 1120-POL.
- S corporations that pay federal income tax on Line 22c of federal Form 1120S.
- Tax-exempt organizations that have “unrelated trade or business taxable income” for federal income tax purposes are subject to Florida corporate income tax and must file either Florida Form F-1120 or F-1120A.

Florida Corporate Short Form F-1120A

Corporations or other entities subject to Florida corporate income tax must file Florida Form F-1120 unless qualified to file Florida Corporate Short Form Income Tax Return, Florida Form F-1120A.

Who is Eligible to File Florida Form F-1120A?

A corporation qualifies to file Florida Form F-1120A if it meets ALL the following criteria:

- It has Florida net income of $45,000 or less.
- It conducts 100 percent of its business in Florida.
- It does not report any additions to and/or subtractions from federal taxable income other than a net operating loss deduction and/or state income taxes, if any.
- It is not included in a Florida or federal consolidated corporate income tax return.
- It claims no tax credits other than tentative tax payments or estimated tax payments.

Electronic Filing

You are able to file and pay your Florida corporate income tax return (Florida Form F-1120) electronically through the IRS MeF Federal/State Electronic Filing Program. You must file and pay electronically if you paid $20,000 or more in tax during the State of Florida’s prior fiscal year (July 1 – June 30). The Department also has an online application for corporate income tax payments and filing Florida forms F-1120A, F-1120ES, Declaration/Installment of Florida Estimated Income/Franchise Tax, and F-7004, Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return. Go to the Department’s website for more information.

Using Software to Prepare Your Return

If you use commercial software to prepare and file your paper return:

- The Department of Revenue must approve all vendor software that develops paper tax forms. Ask the vendor for proof that you are using approved software.
- Make sure that the software is for the correct year. You cannot use 2017 software to produce 2018 tax forms.
- Visit the Department’s website to obtain a list of approved software vendors.

When to File and Pay

When is Florida Form F-1120 Due?

Generally, Florida Form F-1120 is due the later of:

1. For tax years ending June 30, the due date is on or before the first day of the fourth month following the close of the tax year. For all other tax year endings, the due date is on or before the first day of the fifth month following the close of the tax year. For example, for a taxpayer with a tax year that ends December 31, 2018, the Florida Form F-1120 is due on or before May 1, 2019; or
2. The 15th day following the due date, without extension, for the filing of the related federal return for the taxable year. For example, if the federal return is due on May 15, the related Florida Form F-1120 is due on June 1.

You must file a return, even if no tax is due.

If the due date falls on a Saturday, Sunday, or federal or state holiday, the return is considered to be filed on time if postmarked on the next business day.

For a calendar of filing due dates for Florida corporate income tax returns go to floridarevenue.com/taxes/cit/duedates.

If filing electronically, see the Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659).

Note: A late-filed return will subject a corporation to penalty, whether or not tax is due.
Extension of Time to File
To apply for an extension of time for filing Florida Form F-1120, you must complete Florida Form F-7004, Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return. To obtain Florida Form F-7004, see “Contact Us” on page 16.

You can file Florida Form F-7004 electronically through the IRS MeF federal/state electronic filing program or online. Go to the Department’s website for more information.

You must file Florida Form F-7004 to extend your time to file. A copy of your federal extension alone will not extend the time for filing your Florida return. See Rule 12C-1.0222, Florida Administrative Code (F.A.C.), for information on the requirements that must be met for your request for an extension of time to be valid.

You must file Florida Form F-7004 and pay all the tax due (tentative tax), on or before the original due date of Florida Form F-1120. An extension of time will be void if:
1) Your tentative tax due is not paid.
2) You underpay your tax by the greater of $2,000 or 30 percent of the tax shown on Florida Form F-1120 when filed.

Extensions are valid for six months, with the exception of extensions for taxpayers with a June 30 tax year end, which are valid for seven months. Only one extension may be granted per tax year.

Payment of Tax
You must pay the amount of tax due, as shown on Line 17 of the return, and either file your return or extension of time by the original due date. Make payments in U.S. funds. Penalties and interest apply to late payments.

Using Payment Credits
When a corporation makes payment using payment credits from a different Federal Employer Identification Number (FEIN), the following documentation is required:
- Written authorization, including an original signature of a corporate officer, from the corporation or entity that made the payment.
- The FEIN and complete names of the corporations or entities involved.
- The applied period (taxable year-end) for the payment credits you are requesting to transfer.
- The type of credit and the amount of payment credit you are requesting to transfer.

Where to Send Payments and Returns
Make check payable to and send with return to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0135

If you are requesting a refund (Line 19), send your return to:
Florida Department of Revenue
PO Box 6440
Tallahassee FL 32314-6440

Penalties
LateFiled Return – The penalty for a return filed late is 10 percent per month, or fraction thereof, not to exceed 50 percent of the tax due with the return. If no tax is due and you file late, the penalty is $50 per month or fraction thereof, not to exceed $300.

Underpayment of Tentative Tax – The penalty for underpayment of tentative tax is 12 percent per year during the extension period on the underpaid amount. You must calculate the penalty from the original due date of the return.

Underpayment of Estimated Tax – The penalty for underpayment of estimated tax is 12 percent per year. If you underpay your estimated tax, complete Florida Form F-2220, Underpayment of Estimated Tax, and attach it to Florida Form F-1120 (see Line 14 instructions).

Incomplete Return – For an incomplete return, the penalty is the greater of $300 or 10 percent of the tax finally determined to be due, not to exceed $10,000. An incomplete return is one that we cannot readily handle, verify, or review.

Fraudulent Return – The penalty for filing a false or fraudulent return is 100 percent of the deficiency.

Electronic Filing – The penalty is 5 percent of the tax due for each month the return is not filed electronically. The penalty cannot exceed $250 in total. If no tax is due, the penalty is $10.

Interest
A floating rate of interest applies to underpayments, late payments, and overpayments of corporate income tax. We update the floating interest rate on January 1 and July 1 of each year by using the formula established in s. 220.807, F.S. For information on current and prior period interest rates, visit floridarevenue.com/taxes/rates.

Required Attachments
Attach a copy of the actual federal income tax return filed with the Internal Revenue Service (IRS).

You must also attach copies of federal Forms 4562, 851 (or Florida Form F-851), 1122, 1125-A, Schedule D, Schedule M-3, and any supporting details for Schedules M-1 and M-2. Attach other supporting schedules if requested in these instructions.

Do not detach the coupon located at the bottom of the first page of your Florida Form F-1120 or your account may not be properly credited.

You may use additional sheets if the lines on Florida Form F-1120 or on any schedules are not sufficient. The additional sheets must contain all the required information and follow the format of the schedules on the return. Enter the taxpayer’s name and FEIN on all sheets exactly as they appear on the front page of Florida Form F-1120.

Taxable Year and Accounting Methods
The taxable year and method of accounting must be the same for Florida income tax as it is for federal income tax. If you change your taxable year or your method of accounting for federal income tax, you must also change the taxable year or method of accounting for Florida income tax.

Rounding Off to Whole-Dollar Amounts
Whole-dollar amounts may be entered on the return and accompanying schedules. To round off dollar amounts, drop amounts less than 50 cents to the next lowest dollar and increase amounts from 50 cents to 99 cents to the next highest dollar. If you use this method on the federal return, you must use it on the Florida return.
Federal Employer Identification Number
If you do not have an FEIN, obtain one from the Internal Revenue Service. You can:
• Apply online at irs.gov
• Apply by mail with IRS Form SS-4. To obtain this form, download or order it from irs.gov or call 800-829-3676.

To Amend a Return
You must complete a Florida Form F-1120X to amend your Florida corporate income tax return if:
• You file an amended federal return.
• A redetermination of federal income is made (for example, through an audit adjustment), and
• The adjustments would affect net income subject to the Florida corporate income/franchise tax.

Go to floridarevenue.com/forms for Florida Form F-1120X with instructions.

Estimated Tax (Florida Form F-1120ES)

Who Must Make Estimated Tax Payments?
If you expect the amount of your income tax liability for the year to be more than $2,500, you must make a declaration of estimated tax for the taxable year. Use Florida Form F-1120ES, Declaration/Installment of Florida Estimated Income/Franchise Tax to declare and pay estimated tax. To determine if a declaration and payment of estimated tax is required, complete the Estimated Tax Worksheet on page 6 of the Florida Form F-1120.

Due Dates for Declaration and Payment
Make your estimated tax payments in four equal installments. For calendar year filers with a tax year beginning on or after January 1, 2017, payments are due on May 31, June 30, September 30, and December 31. To obtain Florida Form F-1120ES, see "Contact Us" on page 16. The Department does not send reminder notices for estimated tax installments. Do not annualize your payments.

For a calendar of filing due dates for Florida corporate income tax returns go to the Department’s website at floridarevenue.com/taxes/cit/duedates. To pay estimated tax, go to the Department’s website. If filing electronically, see the Florida e-Services Calendar of Electronic Payment Deadlines (Form DR-659).

Short Taxable Years
You must file a separate declaration (Florida Form F-1120ES) when a return is required for a period of less than 12 months, unless the short period is less than four months or the requirement is first met after the first day of the last month in the short taxable year. When determining if you must file a declaration of estimated tax for a short taxable year, which results from a change in annual accounting period, you must annualize your net income for the short period. Multiply the short year’s income by 12 and divide the result by the number of months in the short period. If the tax due based on this income is greater than $2,500, a declaration is required.

Amended Declaration (Florida Form F-1120ES)
You must base your declaration of estimated tax upon a reasonable projection of tax liability. Circumstances may develop during the year that warrant a revision of the original estimated tax. If the revised estimate differs materially from the original estimate, file an amended declaration on or before the next installment due date.

Underpayments of Estimated Tax
If you underpay estimated tax, penalty and interest apply (see “Penalties” and “Interest” and the instructions for Line 14).

Special Instructions

Consolidated Returns
The privilege of electing to file a Florida consolidated income tax return is limited to a parent corporation subject to the Florida Income Tax Code and:
1. The affiliated group must have filed a consolidated return for federal income tax purposes.
2. The affiliated group electing to file a Florida consolidated return must be identical to the affiliated group filing the federal consolidated return.
3. In the initial year of election, you must complete Florida Form F-1122, Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return for each affiliated member. Attach the form to the Florida consolidated return.
4. Complete Florida Form F-1122 and attach for each new member of the affiliated group.
5. A copy of federal Form 851 or Florida Form F-851 (Corporate Income/Classification Tax Affiliations Schedule) must be attached.
6. You must make the election by the due date of the return, including properly filed extensions.

The filing of a Florida consolidated tax return for any taxable year requires the filing of a consolidated return for all subsequent years, including subsequent additions to the group, even if the parent subsequently is not subject to Florida tax. For more information see s. 220.131, F.S., and Rule 12C-1.0131, F.A.C.

Florida Net Operating Loss Carryover Deduction (NOLD)
You may not carry back a Florida net operating loss as a deduction to a prior taxable year. A net operating loss must be carried over to subsequent taxable years and treated in the same manner, to the same extent, and for the same time periods prescribed in s. 172, IRC. The Florida carryover to future tax years is limited to the amount of the federal net operating loss multiplied by the Florida apportionment fraction. However, adjustments such as those listed in s. 220.13(1)(e), F.S., may increase the amount of the Florida carryover. See Rule 12C-1.013(15), F.A.C.
The Florida net operating loss carryover deduction is limited to the portion of the carryover apportioned to Florida using the apportionment fraction for the year in which the loss occurred.

To support a deduction, attach a schedule showing the following information, as applicable:
• Tax Year
• Adjusted Federal Loss
• Apportionment Fraction for the Year of Loss
• Florida Apportioned Income/Loss
• Net Operating Loss Carryover (NOLCO) Applied
• Florida Portion of Adjusted Federal Income
• NOL Carry Forward to Next Year
See Examples of Florida Net Operating Loss Carry Forward Schedules on page 15.
Include the Florida net operating loss carryover deduction available on either Schedule II or IV, including that portion that reduces Florida taxable income below zero.
If you conduct all of your business in Florida, you must enter the Florida net operating loss carryover deduction available on Schedule II, Line 3.
If you are doing business outside Florida, you must enter zero (0) on Schedule II, Line 3, and the amount of the NOLD on Schedule IV, Line 4.

Florida Net Capital Loss Carryover Deduction
You may not carry back a Florida net capital loss as a deduction to a prior taxable year. A net capital loss must be carried over to subsequent tax years and treated in the same manner, to the same extent, and for the same periods prescribed in s. 1212, IRC.
The Florida subtraction for net capital loss carryovers is limited to the portion of the carry forward apportioned to Florida using the apportionment fraction for the year in which the loss occurred.
To support a deduction, you must attach a schedule showing how you computed the deduction:
- Year(s) of loss,
- Apportionment fraction for the taxable year in which the loss occurred, and
- Amount of the carryover(s) previously deducted.
If you conduct all of your business in Florida, you must enter the Florida net capital loss carryover on Schedule II, Line 4.
If you are doing business outside Florida, you must enter zero (0) on Schedule II, Line 4, and the Florida portion of net capital loss carryover on Schedule IV, Line 5.

Florida Excess Contribution Carryover Deductions
The excess contribution deductions may not create or increase a net operating loss for Florida. The Florida excess contribution deduction is the lesser of:
- the federal excess contribution limitation apportioned to Florida in the current year or
- the Florida excess contribution carryover.
To support a deduction, you must attach a schedule showing how you computed the deduction:
- Year(s) of federal excess contributions,
- Actual contributions made,
- Federal contribution limitation,
- Amount of excess contributions,
- Florida apportionment fraction for the taxable year(s),
- Apportioned excess contribution to be carried over, and
- Amount of the carryover(s) previously deducted.
Any unused federal limitation must be apportioned as well.
If you conduct all of your business in Florida, you must enter the Florida excess charitable contribution carryover on Schedule II, Line 5, and the Florida employee benefit plan contribution carryover on Schedule II, Line 6.
If you are doing business outside Florida, you must enter zero (0) on Schedule II, Lines 5 and 6. You must enter the Florida portion of your excess charitable contribution carryover on Schedule IV, Line 6, and the Florida portion of your excess employee benefit plan contribution carryover on Schedule IV, Line 7.

We number Instructions to correspond with the appropriate schedule and line numbers.

Computation of Florida Net Income Tax
Chapter 220, F.S., provides that corporations and other entities base Florida net income on federal taxable income with certain modifications. Such modifications include Florida additions and subtractions, apportionment, and the Florida exemption.

Line 1 - Federal Taxable Income
Generally, corporations should enter the amount shown on Line 30 of federal Form 1120 or the corresponding line (taxable income) of the related federal income tax return.
If a corporation is a member of an affiliated group that filed a consolidated federal tax return, but the corporation is filing a separate return for Florida, the amount shown on Line 1 of the Florida Form F-1120 should be its federal taxable income computed as if it had filed a separate federal income tax return. Attach to Florida Form F-1120:
- A copy of the related federal consolidated return that was filed.
- A statement reconciling the amount reported on Line 1 with the taxable income shown on Line 30 of the related federal consolidated return.
- Attach a pro forma federal return, which is a federal return as computed as if the consolidated subsidiary filing separately in Florida had also filed a separate federal return.
When you file a Florida consolidated return, the amount that you should enter is the:
- Consolidated federal taxable income from Line 30 of federal Form 1120, or
- Corresponding line (taxable income) of the federal income tax return filed.
Generally, the Florida consolidated group must be identical to the federal consolidated group. Also see Consolidated Returns Instructions (page 4).
S corporations should enter only the amount of income subject to federal income tax at the corporate level.

Line 2 - State Income Taxes Deducted in Computing Federal Taxable Income
Enter the total amount of state income taxes deducted on the federal return in the computation of federal taxable income. Include the amount deducted for income taxes paid to the District of Columbia and all states, including Florida. Do not include taxes based on gross receipts, or income taxes paid to cities or counties.
Note: You must attach a list to Florida Form F-1120 identifying the amount of tax and the state to which it was paid.

Line 3 - Additions to Federal Taxable Income
Enter the total amount of additions or adjustments to federal taxable income shown on Schedule I, Line 20.
Line 4 - Total of Lines 1, 2, and 3
Enter the total amount of subtractions from federal taxable income shown on Schedule II, Line 12.

Line 5 - Subtractions from Federal Taxable Income
Enter the total amount of subtractions from federal taxable income shown on Schedule II, Line 12.

Line 6 - Adjusted Federal Income
Subtract Line 5 from Line 4 and enter the difference.

Line 7 - Florida Portion of Adjusted Federal Income
If the taxpayer’s business is entirely within Florida, enter the amount reported on Line 6 on this line.
If the taxpayer is doing business outside Florida, complete Schedules III and IV and enter the adjusted federal income amount from Schedule IV, Line 9.

Line 8 - Nonbusiness Income Allocated to Florida
If the taxpayer’s business is entirely within Florida, enter zero (0). If the business is outside Florida, see the instructions for Schedule R.

Line 9 - Florida Exemption
Section 220.14, F.S., exempts up to $50,000 of Florida net income. The amount of the exemption is the lesser of $50,000 or the Florida portion of adjusted federal income plus nonbusiness income allocated to Florida (Line 7 plus Line 8). If the sum of Line 7 plus Line 8 is zero or less, enter zero (0).
Florida allows only one $50,000 exemption to the members of a controlled group of corporations as defined in s. 1563, IRC. If you file a consolidated return, the amount of exemption taken on Line 9 is limited to the lesser of $50,000 or the Florida portion of adjusted income plus nonbusiness income allocated to Florida (Line 7 plus Line 8). If members of the controlled group file separate returns, follow the instructions for Question G-1.
If the taxable year is less than 12 months, the $50,000 exemption must be prorated. Multiply $50,000 by the number of days in the short tax year divided by 365.

Line 10 - Florida Net Income
Subtract Line 9 from the sum of Lines 7 and 8 and enter the difference. If the result is a loss, enter zero (0).

Line 11 - Tax Due
Enter 5.5 percent of Line 10.

Line 12 - Credits Against the Tax
Enter the total credits against the tax from Schedule V, Line 20. Credits against the tax cannot exceed the amount of tax due on Line 11 and cannot create a refund.

Line 13 - Total Corporate Income/Franchise Tax Due
Subtract Line 12 from Line 11.

Line 14 - Penalty and Interest
If you have underpaid estimated tax, you may compute penalty and interest using Florida Form F-2220 and enter the amounts on Lines 14(a) and 14(c). To obtain Florida Form F-2220, see “Contact Us” on page 16.
Penalty and interest on an underpayment of estimated tax are computed from the installment due date until the earlier of the payment date or due date for filing the annual tax return, without regard to any extension of time. No penalty or interest will apply if the cumulative amount paid or credited for each installment equals or exceeds the cumulative amount due if the installments were based on:

- At least 90 percent of the tax finally shown to be due for the taxable year; or
- The tax computed using the prior year facts and income and current year rates.

Note: The installment amounts that must be paid to meet the prior year exception are decreased by the amount of the Florida Tax Credit Scholarship Program credit earned with contributions made for the current tax year.
Enter any other penalty or interest due on Lines 14(b) and 14(d) respectively. See also “Penalties” and “Interest” on page 3.

Line 15 - Total of Lines 13 and 14.

Line 16 - Payment Credits
On Line 16(a), enter the total estimated tax payments, if any, made for the taxable year, plus any carryovers from previous years or corporate income tax credit memos issued by the Department. If you filed Florida Form F-7004, enter the tentative tax paid on Line 16(b). Add the estimated tax payments and the tentative tax paid (Line 16(a) plus Line 16(b)). Enter that sum on Line 16. Attach a schedule of payments showing the amounts paid and dates of each payment.

Line 17 - Total Amount Due
Subtract the amount on Line 16 from Line 15 and enter the amount due. Also, enter the amount due in the space provided at the bottom of the front page of Florida Form F-1120. Make your check payable to the Florida Department of Revenue. If tax was overpaid, please refer to the instructions for Lines 18 and 19.

Line 18 - Credit
Enter the amount of overpayment you want applied to the following taxable year as an estimated tax payment. You may apply any portion of an overpayment as an estimated tax payment. Also, enter this amount in the space provided at the bottom of the front page of Florida Form F-1120. Note: The election to apply an overpayment to the next year’s estimated tax is irrevocable. For more information, see Rule 12C-1.034(8), F.A.C., titled Special Rules Relating to Estimated Tax.

Line 19 - Refund
Enter the amount of overpayment you want refunded on Line 19. You may request a refund of any portion of an overpayment. Also, enter this amount in the space provided at the bottom of the front page of Florida Form F-1120. If Line 19 is left blank, we will credit the entire overpayment to next year’s estimated tax. Sub S corporations must include the Notice of Acceptance as an S corporation from the IRS if the document has not been sent to the Department.

Signature and Verification
An officer or person authorized to sign for the entity must sign all returns. An original signature is required. We will not accept a photocopy, facsimile, or stamp. A receiver, trustee, assignee, or other fiduciary must sign any return filed on behalf of the entity.
Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:
- Federal employer identification number (FEIN).
- Preparer tax identification number (PTIN).

Questions A through L
All taxpayers must answer questions A through L.

Question A - Enter the state in which you are incorporated.

Question B - Enter the Florida document number received from the Florida Secretary of State. For information, contact the
Department of State, Corporate Information at 850-245-6052 or visit the website at sunbiz.org.

Question C - Check the appropriate box to indicate if you are filing a Florida consolidated return.

Question D - Check the “Initial return” box if the return is the initial Florida return filed. Check “Final return” only if you have filed a final federal return. When a C Corporation elects to become an S corporation, the final C return is not considered to be a final tax return for the corporation. A return for a foreign (out-of-state) corporation that has ceased doing business in Florida is not a final return.

Question E - Enter the Principal Business Activity Code that pertains to Florida business activities. If the Principal Business Activity Code is unknown, see the “Principal Business Activity Codes” section of the IRS Instructions for Form 1120.

Question F - Check the appropriate box to indicate if you have filed a Florida extension of time (Florida Form F-7004). Attach a copy of Florida Form F-7004, if timely filed.

Question G-1 - Florida allows only one $50,000 exemption to a controlled group of corporations as defined in s. 1563, IRC. If the taxpayer is a member of a controlled group, attach a list of the members. Include FEIN, address, and apportioned amount of the $50,000 exemption for each corporation. If the controlled group is a parent-subsidiary group, please indicate the parent corporation on your attached list. Attaching the list shows consent to an unequal apportionment of the Florida exemption.

Question G-2 - Check the appropriate box to indicate if you are part of a federal consolidated return. Enter the name and FEIN from your federal consolidated return.

Question G-3 - Check the appropriate box to indicate if the federal common parent has sales, property or payroll in Florida.

Question H - Enter the address where the corporate books and records are located.

Question I - Check the appropriate box to indicate if you are a member of a partnership or joint venture that does business in Florida.

Question J - Provide the date of your latest IRS audit and list the years examined.

Question K - Provide the name, a telephone number, and email address of the person to contact regarding this return.

Question L - Indicate the form number of the return filed with the IRS.

Schedule I – Additions and/or Adjustments to Federal Taxable Income

Line 1 - Interest Excluded from Federal Taxable Income
Enter the amount of interest excluded from taxable income under s. 103(a), IRC, or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265, IRC, or any other law. These items will be included in Schedule M-1 of the federal return.

Line 2 - Undistributed Net Long-Term Capital Gains
If you are a regulated investment company (RIC) or a real estate investment trust (REIT), enter the undistributed net capital gain for the taxable year computed pursuant to ss. 852(b)(3)(D) and 857(b)(3)(D), IRC.

Line 3 - Net Operating Loss Deduction
Enter the amount of net operating loss deduction shown on Line 29(a) of the federal Form 1120 or on the corresponding line of other federal income tax forms.

Line 4 - Net Capital Loss Carryover
Enter the net capital loss carryover, as defined in s. 1212, IRC, deducted from capital gains in computing federal taxable income for the taxable year. Refer to federal Form 1120, Schedule D, for this adjustment.

Line 5 - Excess Charitable Contribution Carryover
Enter the amount of excess charitable contributions, determined under s. 170(d)(2), IRC, carried forward and deducted in computing federal taxable income for the taxable year.

Line 6 - Employee Benefit Plan Contribution Carryover
Enter the total amount of excess employee benefit plan deductions determined under s. 404(a)(1)(E), IRC, (excess contributions to qualified pension plans) and s. 404(a)(3)(A)(ii), IRC, (excess contributions to qualified stock bonus or profit-sharing plans), and carried forward and deducted in computing federal taxable income for the taxable year.

Line 7 - Enterprise Zone Jobs Credit
Enter the amount from Line 3 of Schedule V. This will be the amount of enterprise zone jobs credit on Florida Form F-1156Z for the taxable year.

Line 8 - Ad Valorem Taxes Allowable as an Enterprise Zone Property Tax Credit
Enter the amount from Line 5 of Schedule V. This will be the portion of the ad valorem taxes paid or incurred for the taxable year that is allowable as an enterprise zone property tax credit on Florida Form F-1158Z.

Line 9 - Guaranty Association Assessment(s) Credit
Enter the amount from Line 1 of Schedule V, Florida Health Maintenance Organization Consumer Assistance Assessment Credit, and any Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit included on Schedule V, Line 20.

Line 10 - Rural and/or Urban High Crime Area Job Tax Credits
Enter the total of the amounts from Lines 6 and 7 of Schedule V. This is the amount taken as rural and/or urban high crime area job tax credits for the taxable year.

Line 11 - State Housing Tax Credit
Enter the amount from Line 11 of Schedule V. This is the amount taken as the state housing tax credit for the taxable year.

Line 12 - Florida Tax Credit Scholarship Program Credit
Enter the amount from Line 12 of Schedule V. This is the amount taken as a credit for the Florida Tax Credit Scholarship Program. However, if the credit taken has previously been added to taxable income in a prior taxable year, and is taken as a deduction for federal tax purposes in the current taxable year, the amount of the deduction allowed shall not be added to taxable income in the current year. This exception is intended to ensure that the credit is added in the applicable taxable year and does not result in a duplicate addition in a subsequent year.

Line 13 - Renewable Energy Tax Credits
Enter the total of the amounts from Lines 13 and 14 of Schedule V. This is the amount taken for the renewable energy technologies investment tax credit and the renewable energy production tax credit for the taxable year.
Line 14 – New Markets Tax Credit
Enter the amount from Line 15 of Schedule V. This is the amount taken for the new markets tax credit for the taxable year.

Line 15 – Entertainment Industry Tax Credit
Enter the amount from Line 16 of Schedule V. This is the amount taken as the entertainment industry tax credit for the taxable year.

Line 16 – Research and Development Tax Credit
Enter the amount from Line 17 of Schedule V. This is the amount taken as the research and development tax credit for the taxable year.

Line 17 – Energy Economic Zone Tax Credit
Enter the amount from Line 18 of Schedule V. This is the amount of the energy economic zone tax credit taken for the taxable year.

Line 18 – s. 168(k), IRC Special Bonus Depreciation
Enter all amounts claimed as a special depreciation allowance under IRC, s. 168(k) for property placed in service before January 1, 2027.

Line 19 – Other Additions
Attach explanatory schedules. Examples:

(1) Partnership adjustment.
Florida adjusted federal ordinary partnership income or loss is based on the federal ordinary partnership income or loss with certain modifications (Florida additions and subtractions). To the extent that such modifications increase the taxpayer’s distributive share of partnership income or loss included in its federal income tax return, you must enter an appropriate addition as determined on Florida Form F-1065 on Line 19 of this schedule.

(2) Consolidated income adjustment.
No consolidated income adjustment is necessary unless the corporation made an election under s. 220.131(1), F.S., within 90 days of December 20, 1984, or upon filing the taxpayer’s first return after December 20, 1984, to file a consolidated return on the same basis as its consolidated returns filed prior to July 19, 1983. Attach a schedule showing the computation of federal taxable income for the Florida affiliated group and the amounts included in the net positive or negative (using a negative sign) adjustment.

(3) Depreciation adjustment.
The required depreciation adjustment is for Election A and Election B taxpayers.

“Election A” means the election made by taxpayers for taxable years beginning prior to January 1, 1987, pursuant to s. 220.03(5)(b), F.S., to report and pay the corporate income/franchise tax as if the amendments to the Internal Revenue Code that were enacted after January 1, 1980, and before January 1, 1982, became effective on January 1, 1982. Taxpayers who made Election A are required to make a depreciation adjustment in computing the corporate income/franchise tax if any depreciable assets were placed in service between January 1, 1981, and December 31, 1986.

If a consolidated Florida corporate income/franchise tax return is filed, a separate schedule listing the name, address, FEIN, and the depreciation election (General Rule, which was for the emergency excise tax that has been phased out, Election A, or Election B) of each included corporation must be attached.

The depreciation adjustment will include the positive or negative difference, if any, between the depreciation deducted as shown on federal Form 4562 for these assets and the depreciation allowable for these assets under the Internal Revenue Code of 1954, as amended and in effect on January 1, 1980. Attach a copy of federal Form 4562 and a statement setting forth the details of the adjustment.

If a taxpayer is governed by Election A or Election B and directly or indirectly owns an interest in a partnership, trust, or other entity not taxable as a corporation, it must include in its adjustment its distributive share of any depreciation difference. The difference in the depreciation for the partnership, trust, or other entity should be computed in the same manner explained above for Election A or Election B. The taxpayer’s distributive share of the depreciation difference computed should be added to the difference computed under Election A or Election B on the taxpayer’s assets. You must attach a copy of the underlying entity’s federal Form 4562 and a statement setting forth the details of the adjustment.

Line 20 – Total
Enter the sum of Lines 1 through 19 on this line and on the front page of Florida Form F-1120, Line 3.

Schedule II – Subtractions from Federal Taxable Income
Taxpayers may not subtract from federal taxable income for Social Security and Medicare taxes paid on certain employee tips income when such taxes are taken as a credit on their federal corporate income tax return as part of the federal General Business Credit. Florida Statutes do not provide a similar credit for Florida income tax purposes, nor is there a provision for a subtraction from federal income for the taxes taken as a federal tax credit.

Line 1 - Gross Foreign Source Income Less Attributable Expenses
Enter all amounts included in federal taxable income under s. 78, IRC, on Line 1(a). Enter dividends treated as received from sources outside the United States, as determined under s. 862, IRC, on Line 1(b). Enter the total of expenses directly and indirectly attributable to ss. 78 and 862, IRC, on Line 1(c). Add s. 78 income and s. 862 dividends and subtract expenses (1[a] + 1[b] - 1[c]). Enter result on Line 1.

Line 2 - Gross Subpart F Income Less Attributable Expenses
Enter the subpart F income included in federal taxable income under s. 951, IRC, on Line 2(a). Enter the total of expenses directly and indirectly attributable to s. 951, IRC, on Line 2(b). Subtract the attributable expenses from the subpart F income (2[a] - 2[b]). Include copies of all IRS forms, schedules, and worksheets associated with IRS Form 5471.

Note: Taxpayers doing business outside Florida enter zero (0) on Lines 3, 4, 5, and 6 and complete Lines 4, 5, 6, 7, and 8 of Schedule IV.
Line 3 - Florida Net Operating Loss Carryover Deduction
See Florida Net Operating Loss Carryover Deduction instructions (page 4).

Line 4 - Florida Net Capital Loss Carryover Deduction
See Florida Net Capital Loss Carryover Deduction instructions (page 5).

Line 5 - Florida Excess Charitable Contribution Carryover
See Florida Excess Contribution Carryover Deductions instructions (page 5).

Line 6 - Florida Employee Benefit Plan Contribution Carryover
See Florida Excess Contribution Carryover Deductions instructions (page 5).

Line 7 - Nonbusiness Income
If the taxpayer’s business is entirely within Florida, enter zero (0). If the business is outside Florida, enter the amount of nonbusiness income included in federal taxable income from Schedule R, Line 3. See Instructions for Schedule R (page 14).

Line 8 - Eligible Net Income of an International Banking Facility
The eligible net income of an international banking facility is allowed as a deduction from adjusted federal income, to the extent not deductible in determining federal taxable income or subtracted pursuant to ss. 220.13(1)(b)2., F.S. See ss. 220.63(5) and 220.62(3), F.S., for a detailed explanation of the computation of eligible net income and a definition of international banking facility.

Line 9 – s. 179, IRC, Expense
Amounts required to be added back for s.179, IRC expense is provided back to a taxpayer through a subtraction over a seven-year period of one seventh of the amount of the addition, beginning with the tax year of the addition. Attach a schedule showing the taxable year and amount of the original addition and amounts of the subtraction by taxable year. Enter the amount to be subtracted this year.

Line 10 – s. 168(k), IRC, Special Bonus Depreciation
Amounts required to be added back for s.168(k), IRC bonus depreciation is provided back to a taxpayer through a subtraction over a seven-year period of one seventh of the amount of the addition, beginning with the tax year of the addition. Attach a schedule showing the taxable year and amount of the original addition and amounts of the subtraction by taxable year. Enter the amount to be subtracted this year.

Line 11 - Other Subtractions
Enter any other item required to be subtracted as an adjustment to compute adjusted federal income.

Attach explanatory schedules. Examples:

(1) Partnership adjustment. Florida adjusted federal ordinary partnership income or loss is based on the federal ordinary partnership income or loss with certain modifications (Florida additions and subtractions). To the extent that such modifications decrease the taxpayer’s distributive share of partnership income or loss included in its federal income tax return, an appropriate subtraction as determined on Florida Form F-1065 must be entered on Line 11 of this schedule.

(2) Certain foreign taxes. Enter the amount of taxes of foreign countries allowable as credits under s. 901, IRC, to any corporation that derived less than 20 percent of its gross income or loss for its taxable year ending in 1984 from sources within the United States, as described in s. 861(a)(2)(A), IRC, not including withholding taxes specified in s. 220.13(1)(b)5., F.S.

(3) Cancellation of indebtedness income deferred under s. 108(i), IRC. Enter the amount of income previously required to be added back under s. 220.13(1)(e)3., F.S., when the deferred cancellation of indebtedness income is recognized for federal income tax purposes. The subtraction may not exceed the amount of s.108(i), IRC, income added back under s. 220.13(1)(e)3., F.S.

Line 12 - Total
Enter the sum of Lines 1 through 11 on this line and on the front page of Florida Form F-1120, Line 5.

Schedule III – Apportionment of Adjusted Federal Income
Florida taxpayers doing business outside Florida are required to apportion their business income to Florida based upon a three-factor formula (average value of property, payroll, and sales factors), except for insurance companies, transportation companies, citrus processing companies, taxpayers granted permission to use a single sales factor under s. 220.153, F.S., and taxpayers who have been given prior permission by the Department to apportion income using a different method under s. 220.152, F.S.

Florida does not allow a taxpayer to apportion income if it is not doing business outside the state. Making only sales in another state without property or payroll in that state does not automatically indicate a taxpayer is “doing business” in a state other than Florida. See Rule 12C-1.015, F.A.C., for further information about when a Florida corporation may apportion income.

The three-factor formula measures Florida’s share of adjusted federal income by ratios of the taxpayer’s property, payroll, and sales located or occurring everywhere. The apportionment factors are weighted as follows: 25 percent to property, 25 percent to payroll, and 50 percent to sales.

Note: If the amount reported in Schedule III-A, Column (b) for either the property or payroll factor is zero, the weighted percentage for the other factor will be 33 1/3 percent and the weighted percentage for the sales factor will be 66 2/3 percent. If the amount reported in Schedule III-A, Column (b) for the sales factor is zero, the weighted percentage for the property and payroll factors will change from 25 percent to 50 percent each. If the amounts reported in Schedule III-A, Column (b) for any two factors are zero, the weighted percentage for the remaining factor will be 100 percent.

All amounts reported to nonbusiness income, income related to ss. 78, 862, and 951, IRC, and any other income not included in the adjusted federal income (Florida Form F-1120, Line 6) must be excluded from the apportionment factors.

III-A Line 1. Average Value of Property
The property factor is a fraction. The numerator of this fraction is the average value of real and tangible personal property owned or rented and used during the taxable year in Florida. The denominator is the average value of such property owned or rented and used everywhere during the taxable year.

Property owned is valued at original cost, without regard to accumulated depreciation. Property rented is valued at eight times the net annual rental rate. You must reduce the net annual rental rate by the annual rental rate received from sub-rentals.

Compute the average value of property using Schedule III-B. On Lines 1 through 4 of this schedule, enter the beginning-of-year and end-of-year balances for property owned and used within Florida, as well as property owned and used everywhere. Compute the average value using the formula provided on Line 6. Enter
the value of rented property on Line 7. Add Lines 6a and 7a and enter the Florida average on Line 8a of Schedule III-B and on Schedule III-A, Line 1, Column (a). Likewise, add Lines 6b and 7b and enter the everywhere average on Line 8b of Schedule III-B and on Schedule III-A, Line 1, Column (b).

If substantial fluctuations in the values of the property exist during the tax period or where you acquired property after the beginning of the tax period or disposed of property before the end of the tax period, the Department may require or allow monthly averaging of property values. If monthly averages are used, you must attach appropriate schedules.

For corporations not included within the definition of a financial organization, intangible personal property will not be included in the property factor. The property factor used by a financial organization must include intangible personal property, except goodwill, owned and used in the business. The term “financial organization” includes any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, or investment company.

The intangible personal property will be valued at its tax basis for federal income tax purposes. Florida considers intangible personal property to be in Florida if it consists of any of the following:

(a) Coin or currency located in Florida.
(b) Assets in the nature of loans located in Florida, including balances due from depository institutions, repurchase agreements, federal funds sold, and bankers’ acceptances.
(c) Installment obligations on loans for which the customer initially applied at an office located in Florida.
(d) Loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in Florida.
(e) A portion of a participation loan where the office that enters into the participation is located in Florida.
(f) Credit card receivables from customers who reside or who are commercially domiciled in Florida.
(g) Investments in securities that generate business income where the taxpayer’s commercial domicile is in Florida, unless such securities have acquired a discrete business situs elsewhere.
(h) Securities held by a state treasurer or other public official or pledged to secure public funds or trust funds deposited with the taxpayer, if the office where the secured deposits are maintained is in Florida.
(i) Leases of tangible personal property where the taxpayer’s commercial domicile is in Florida, unless the taxpayer establishes that the location of the leased tangible property is in another state or states for the entire taxable year and the taxpayer is taxable in such other state or states.
(j) Installment sale agreements originally executed by a taxpayer or its agent to sell real or tangible personal property located in Florida.
(k) Any other intangible personal property located in Florida used to generate business income.

III-A Line 2. Payroll

The payroll factor is a fraction. The numerator of this fraction is the total amount paid to employees in Florida during the taxable year for compensation. The denominator is the total compensation paid to employees everywhere during the taxable year. Enter the numerator in Schedule III-A, Line 2, Column (a). Enter the denominator in Schedule III-A, Line 2, Column (b). For purposes of this factor, compensation is paid within Florida if:

(a) The employee’s service is performed entirely within Florida, or
(b) The employee’s service is performed both within and outside Florida, but the service performed outside Florida is incidental to the employee’s service, or
(c) Some of the employee’s service is performed in Florida and either the base of operations or the place from which the service is directed or controlled is in Florida, or the base of operations or place from which the service is controlled is not in any state in which some part of the service is performed and the employee’s residence is in Florida.

The taxpayer must attach a statement listing all compensation paid or accrued for the taxable year other than that shown on federal Form 1125-A, federal Form 1125-E (if required to complete for federal tax purposes), or federal Form 1120.

Sponsored Research and Development Contracts through a University

The payroll factor excludes compensation paid to a Florida employee and the property factor excludes any real or tangible personal property located in Florida certified as dedicated exclusively to the activities of sponsored research and development contracts through a state university or a non-public Florida chartered university conducting graduate programs at the professional or doctoral level. This exclusion applies only during the contractual period and the tax savings is limited to the amount paid for the sponsored research.

Attach a copy of the certification letter, received from the Board of Governors of the State University System or the university president, to the return. Also, the taxpayer must include the schedule of items, as certified by the university, excluded from the payroll and property factors.

III-A Line 3. Sales Factor

The sales factor is a fraction. The numerator of this fraction is the total sales of the taxpayer in Florida during the taxable year. The denominator is the total sales of the taxpayer everywhere during the taxable year. Use Schedule III-C to calculate the sales factor. Enter the numerator on Schedule III-A, Line 3, Column (a) and the denominator on Schedule III-A, Line 3, Column (b).

Florida defines the term “sales” as gross receipts without regard to returns or allowances. The term “sales” is not limited to tangible personal property, and includes:

(a) Rental or royalty income if such income is significant in the taxpayer’s business.
(b) Interest received on deferred payments of sales of real or tangible personal property.
(c) Income from the sale, licensing, or other use of intangible personal property.
(d) Sales of services.
(e) For financial organizations, income from intangible personal property.

Making only sales in another state without property or payroll in that state does not automatically indicate a taxpayer is “doing business” in a state other than Florida. See Rule 12C-1.015, F.A.C., for further information about when a Florida corporation may apportion income.

Sales will be attributable to Florida using the following criteria:

(a) Sales of tangible personal property will be “Florida sales” if the property is delivered or shipped to a purchaser within Florida.
(b) Rentals will be “Florida sales” if the real or tangible personal property is in Florida.
(c) Interest received on deferred payments of sales of real or tangible personal property will be included in “Florida sales” if the sale of the property is in Florida.

(d) Sales of service organizations are within Florida if the services are performed in Florida.

For a financial organization, “Florida sales" will also include:

(a) Fees, commissions, or other compensation for financial services rendered within Florida.

(b) Gross profits from trading in stocks, bonds, or other securities managed within Florida.

(c) Interest, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible property located outside Florida.

(d) Dividends received within Florida.

(e) Interest for carrying debit balances on margin accounts, charged to customers at their business locations in Florida, without deducting any costs for carrying such accounts.

(f) Interest, fees, commissions, and other charges or gains from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in Florida or from installment sale agreements originally executed by a taxpayer or its agent to sell real or tangible personal property located in Florida.

(g) Any other gross income, including other interest, resulting from the operation as a financial organization within Florida.

III-A Line 4. Apportionment Fraction

For Lines 1, 2, and 3 of Schedule III-A, divide the amount in Column (a) by the amount in Column (b). Round the result to six decimal places. Enter the result in Column (c) of Schedule III-A. In Column (d), use the appropriate weight for each factor. See the note on page 9 for more detailed information. Multiply the amount in Column (c) by the weighted percentage in Column (d). Round the result to six decimal places. Enter the result in Column (e).

To compute the Florida apportionment fraction, add the weighted factors on Schedule III-A, Lines 1, 2, and 3 of Column (e). Enter the total on Schedule III-A, Line 4 and on Schedule IV, Line 2.

III-D. Special Apportionment Fractions

Insurance Companies

Insurance companies apportion adjusted federal income to Florida by multiplying it by a fraction. The numerator is the direct premiums written for insurance upon properties and risks in Florida and the denominator is direct premiums written on properties and risks everywhere. Florida defines the term “direct premiums written" as the total amount of direct premiums written, assessments, and annuity considerations, as reported on the annual statement filed by the company with the Florida Insurance Commissioner.

However, if the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the numerator and denominator of the above fraction include the direct premiums written plus premiums written for reinsurance.

Enter the amounts within Florida in Column (a) and amounts everywhere in Column (b) on Schedule III-D, Line 1. Divide Column (a) by Column (b) and enter the result on Schedule III-D, Line 1, Column (c) and on Schedule IV, Line 2.

Note: Insurance companies using this apportionment fraction should attach a copy of Schedule T from their annual report.

Transportation service companies

Taxpayers furnishing transportation services will use a single factor apportionment fraction to apportion their income to Florida. The term “taxpayers furnishing transportation services” includes taxpayers engaged exclusively in interstate commerce.

Florida apportions the income of transportation companies by multiplying their adjusted federal income by a fraction; the numerator is the revenue miles within Florida and the denominator is the revenue miles everywhere.

For transportation other than by pipeline, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for consideration.

Enter the amount within Florida in Column (a) and the amount everywhere in Column (b) on Schedule III-D, Line 2. Divide Column (a) by (b) and enter the result on Schedule III-D, Line 2, Column (c) and on Schedule IV, Line 2.

Schedule IV – Computation of Florida Portion of Adjusted Federal Income

A taxpayer doing business outside Florida should use Schedule IV to compute the Florida portion of adjusted federal income. Florida does not allow a taxpayer to apportion income using Schedule IV if it is not considered to be doing business outside Florida.

Apportionment of Adjusted Federal Income

Line 1 - Apportionable Adjusted Federal Income

Enter the adjusted federal income from Line 6 on the front page of Florida Form F-1120.

Line 2 - Florida Apportionment Fraction

Enter the Florida apportionment fraction from either Schedule III-A, Line 4 or Schedule III-D, Column (c).

Line 4 - Net Operating Loss Carryover Apportioned to Florida

Enter any available Florida net operating loss carryover deduction.

To support a deduction, you must attach a schedule showing how you computed the deduction. See the Florida Net Operating Loss Carryover Deduction (NOLD) instructions on page 4, including Examples of Florida Net Operating Loss Carry Forward Schedules on page 15.

Line 5 - Net Capital Loss Carryover Apportioned to Florida

Enter any available Florida net capital loss carryover deduction. See the Florida Net Capital Loss Carryover Deduction instructions on page 5.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of loss, apportionment fraction for the taxable year in which the loss occurred, and amounts of the carryover(s) previously deducted.

Line 6 - Excess Charitable Contribution Carryover Apportioned to Florida

Enter any available Florida excess charitable contribution carryover. See the Florida Excess Contribution Carryover Deductions instructions on page 5.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of federal excess contributions, actual contributions made, federal contribution limitation, amount of excess contributions, Florida apportionment fraction for the taxable year(s),
apportioned excess contribution to be carried over, and the amount of the carryover(s) previously deducted.

**Line 7 - Employee Benefit Plan Contribution Carryover Apportioned to Florida**

Enter any available Florida employee benefit plan excess contribution carryover. See the Florida Excess Contribution Carryover Deductions instructions on page 5.

To support a deduction, you must attach a schedule showing how you computed the deduction. You must include the year(s) of federal excess contributions, actual contributions made, federal contribution limitation, amount of excess contributions, Florida apportionment fraction for the taxable year(s), apportioned excess contribution to be carried over, and the amount of the carryover(s) previously deducted.

**Line 8 - Total Carryovers Apportioned to Florida**

Add Lines 4 through 7, and enter the total.

**Line 9 - Adjusted Federal Income Apportioned to Florida**

Subtract Line 8 from Line 3 and enter the difference on this line and on the front page of Florida Form F-1120 (Line 7).

**Schedule V – Credits Against the Corporate Income/Franchise Tax**

**Note:** Credits against the tax may not exceed the corporate income/franchise tax liability.

Section 220.02(8), F.S., provides for an order of application for the credits against corporate income tax. The credits are listed in Schedule V in the order they must be applied. The Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit, available to certain insurers, is not listed in s. 220.02(8), F.S. Therefore, the FLAHIGA credit is to be included in the “other credits” on Line 19. You may find the instructions for the credit with the instructions for Line 19.

**Line 1 - Florida Health Maintenance Organization Consumer Assistance Assessment Credit**

A corporate income tax credit is available to a member of the Health Maintenance Organization Consumer Assistance Plan for assessments paid under s. 631.828, F.S. This credit is limited to 20 percent of the amount of such assessments for each of the five calendar years following the year in which such assessment was paid. Attach a copy of the assessment notice to Florida Form F-1120.

**Note:** Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 9.

**Line 2 - Capital Investment Tax Credit**

An annual capital investment tax credit is available to a qualifying business that establishes a qualifying project. Attach a copy of the certification. For qualifying projects defined in s. 220.191(1)(g)1., and 2., F.S., this credit is granted against only the portion of Florida corporate income tax generated by, or arising out of, the qualifying project. You must attach a pro forma tax return indicating the qualifying project’s Florida taxable income for the year to claim this credit. Businesses may apply for this credit with Enterprise Florida, Inc., at 850-298-6620. A taxpayer that takes this credit against Florida insurance premium tax is not eligible to take it against Florida corporate income tax.

For qualifying projects defined in s. 220.191(1)(g)3., F.S., when the capital investment tax credit is used in whole or in part by a member of the qualifying business’ affiliated group or a related entity that is taxable as a cooperative under subchapter T of the Internal Revenue Code, the qualifying business and the entities claiming the qualifying business’ tax credit must attach a schedule reconciling how the capital investment tax credit is used. The name, federal employer identification number and amount of capital investment tax credit claimed by each entity must be included in the schedule.

If you are claiming a transferred capital investment tax credit per s. 220.191(2)(c), F.S., you must attach to your return a copy of the letter received from the Department of Revenue certifying the amount of the credit transferred. You must include the amount claimed for the current taxable year on Schedule I, Line 7.

**Line 3 - Enterprise Zone Jobs Credit**

Any business claiming the credit must complete and attach a Florida Enterprise Zone Jobs Credit Certificate of Eligibility for Corporate Income Tax (Florida Form F-1156Z). Enter the amount from Florida Form F-1156Z. Taxpayers claiming the credit must include the amount claimed for the current taxable year on Schedule I, Line 7.

**Line 4 - Community Contribution Tax Credit**

Florida allows a credit equal to 50 percent of a qualified community contribution against corporate income tax for the taxable year of the contribution. The amount of the community contribution credit allowed is limited to $200,000 per taxpayer. You may carry forward any unused credits for a period not to exceed five (5) years.

Attach a copy of the decision approving the credit to the Florida Form F-1120 on which you are claiming the credit.

**Note:** Insurance companies may not claim the community contribution credit against their corporate income tax liability.

**Line 5 - Enterprise Zone Property Tax Credit**

Any business claiming the credit must complete and attach an Enterprise Zone Property Tax Credit form (Florida Form F-1158Z). Enter the amount of enterprise zone property tax credit, including any applicable carryover credit, from Florida Form F-1158Z.

**Note:** Taxpayers claiming the credit must include the amount claimed for the current year on Schedule I, Line 8.

**Line 6 - Rural Job Tax Credit, and Line 7 - Urban High Crime Area Job Tax Credit**

Attach a copy of the approval to the return. A corporation that uses one of these credits against sales and use tax is not eligible to take the same credit against Florida corporate income tax. You may carry forward any unused credit for a period not to exceed five (5) years.

**Note:** Taxpayers claiming these credits must include the amounts claimed for the current year on Schedule I, Line 10.

**Line 8 - Hazardous Waste Facility Tax Credit**

A credit is allowed to the owner of any commercial hazardous waste facility for the sum of: (a) expenses for required hydrologic, geologic, or soil site evaluations and permit fees, and (b) five percent of the cost of stationary facility equipment used for recycling hazardous wastes pursuant to s. 220.184, F.S. Any unused credit may be carried forward for a period not to exceed five (5) years.

**Line 9 - Florida Alternative Minimum Tax (AMT) Credit**

A credit for Florida AMT paid is allowable in any tax year in which “regular” Florida tax is due following the tax year for which Florida AMT was paid. The amount of the AMT credit generated in a taxable year is equal to the amount of AMT paid over the “regular” tax that would have otherwise been due without application of the Florida tax credit scholarship program credits
(s. 220.1875, F.S.) and the Florida renewable energy production tax credit (s. 220.193, F.S.). For tax years beginning on or after January 1, 2018, there is no Florida AMT and no additional Florida AMT credit will be created.

The amount of AMT credit that may be taken is limited to the lesser of:

- the amount of unused Florida AMT credit carried forward from previous tax years, and
- the amount of tax due on Line 10 of the computation of Florida net income less the credits claimed on Lines 1 through 9 minus 3.3 percent of the amount that additions (Schedule I, Lines 1 and 7 through 20) exceed subtractions (Schedule II, Lines 3 through 11, and if your apportionment factor is not 100 percent Florida, Schedule IV, Line 8).

**Line 10 - Contaminated Site Rehabilitation Tax Credit**

A credit is available to eligible entities for a percentage of the costs of a voluntary cleanup of a contaminated site. Any corporation that wishes to obtain this credit must submit with its return a tax credit certificate issued by the Florida Department of Environmental Protection. Additional information can be obtained by contacting the Department of Environmental Protection, Bureau of Waste Cleanup, at 850-245-8927. Any unused credit may be carried forward for a period not to exceed five (5) years.

**Line 11 - State Housing Tax Credit**

A credit is available against Florida corporate income tax based upon approved low income housing projects for a five (5) year credit period beginning with the year the project is completed. A taxpayer that wishes to participate in the State Housing Tax Credit Program must submit an application to the Florida Housing Finance Corporation. Attach a copy of the approval letter from the Florida Housing Finance Corporation to the return. Additional information can be obtained from the Low Income Housing Administrator at 850-488-4197.

*Note:* Taxpayers must include the amount claimed for the current year on Schedule I, Line 11.

**Line 12 – Florida Tax Credit Scholarship Program Credit**

A credit is available against Florida corporate income tax for contributions to nonprofit scholarship-funding organizations (SFOs). To learn more about this credit or to submit your application, go to the Department’s website and follow the links.

The Department of Revenue must approve an allocation of this credit before it can be taken. If the credit granted is not fully used in any one year, the unused credit can be carried forward no more than ten (10) years (five [5] years for carry forward amounts from tax years beginning prior to January 1, 2018).

The credit shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit. In addition, a taxpayer’s noncompliance with the requirement to pay tentative taxes may result in the revocation and rescindment of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1875, F.S.

Attach a copy of the certificate of contribution from each nonprofit scholarship-funding organization to your Florida Form F-1120.

You may transfer this credit to members of the same affiliated group. To learn more about transfers of this credit refer to Florida Form DR-116200, Florida Tax Credit Scholarship Program Notice of Intent to Transfer a Tax Credit. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

*Note:* Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 12.

**Line 13 - Renewable Energy Technologies Investment Tax Credit**

A credit is available against Florida corporate income tax for certain eligible costs incurred between July 1, 2006 and June 30, 2010 or between July 1, 2012 and June 30, 2016 in connection with an investment in renewable energy technologies. Any unused credit may be carried forward to tax years ending on or before December 31, 2018.

The certification from the Florida Energy and Climate Commission or the Department of Agriculture and Consumer Services must be attached to the return on which the credit is claimed.

You may transfer this tax credit. To learn more about transfers of this credit refer to Florida Form F-1193T, Notice of Intent to Transfer Florida Energy Tax Credit, available on the Department of Revenue’s website. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to the return.

*Note:* Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 13.

**Line 14 - Florida Renewable Energy Production Tax Credit**

A credit is available against Florida corporate income tax for electricity produced at a Florida facility from renewable energy. The credit is based upon additional electricity produced and sold between January 1, 2007 and June 30, 2010 or January 1, 2013 and June 30, 2016. Any unused amount of an allocated credit may be carried forward for up to five years. You may transfer this tax credit one time, in increments of 25% or more. Refer to Florida Form F-1193T, Notice of Intent to Transfer Florida Energy Tax Credit which is available on the Department of Revenue’s website.

Attach a copy of the certification received from the Department of Revenue or the Department of Agriculture and Consumer Services to your tax return showing the allocation of the credit. For transferred credits, a copy of the letter received from the Department of Revenue certifying the amount of credit transferred must be attached to your return.

*Note:* Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 14.

**Line 15 – New Markets Tax Credit**

A credit is available against Florida corporate income tax for a qualified investment under the Florida New Markets Development Program administered by the Department of Economic Opportunity. Attach a copy of the credit certification. You may carry forward any unused credit for a period of five (5) years.

Insurance companies may only claim this credit against their insurance premium tax due under s. 624.509, F.S.

*Note:* Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 15.

**Line 16 – Entertainment Industry Tax Credit**

A credit is available against Florida corporate income tax as part of the entertainment industry financial incentive program. The program is administered by the Office of Film and Entertainment. Visit their website at filminflorida.com. Attach a copy of the approval letter for the tax credit or credit transfer to the return. Any unused credit may be carried forward for a period not to exceed five (5) years.
Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 15.

Line 17 - Research and Development Tax Credit
A credit is available against Florida corporate income tax based upon qualified research expenses in Florida for taxpayers that also claim and are allowed a federal income tax credit under section 41 of the IRC for the same research expenses. The Department of Revenue must allocate this credit before it can be taken. Attach federal Forms 6765, 3800, and 1065, Schedule K-1 (if applicable) to the return. An unused credit cannot be carried forward more than five (5) years.

Note: Taxpayers must include the amount claimed for the current taxable year on Schedule I, Line 16.

Line 18 - Energy Economic Zone Tax Credit
A credit is available against Florida corporate income tax for eligible corporations located in an energy economic zone. Attach a copy of the certification approving the credit to the return.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 17.

Line 19 - Other Credits
Enter the amount of any other credits allowable against the corporate income/franchise tax. Attach a supporting schedule indicating the type and amount of any allowable credit.

Florida Life and Health Insurance Guaranty Association (FLAHIGA) Assessment Credit
A credit against insurance premium tax or corporate income tax is available to member insurers of FLAHIGA as follows:

• For each assessment levied before January 1, 1997, 0.1 percent of the amount of the assessment for each year following the year in which the assessment was paid.

• For each assessment levied and paid after December 31, 1996, five percent of the amount of the assessment for each of the 20 years following the year in which the assessment was paid.

The total amount of assessment that can be claimed as a credit is net of any refunds received.

However, if a member insurer ceases doing business, all uncredited assessments may be credited against its insurance premium or corporate income tax liability for the year it ceases doing business.

The same assessment amount may not be offset by an insurer against both its insurance premium and corporate income tax liabilities.

Attach a statement showing the computations to support the credit claimed, a copy of the Assessment Levy, and a copy of the Certificate of Contribution for each assessment claimed as a credit.

Note: Taxpayers must include the amount of any credit claimed for the current year on Schedule I, Line 9.

Line 20 - Total Credits Against the Tax
Enter the sum of Lines 1 through 19 on this line and on the front page of Florida Form F-1120 (Line 12).

Schedule R – Nonbusiness Income
Note: Taxpayers that conduct business entirely within Florida need not complete Schedule R.

Nonbusiness income is not subject to apportionment, but is allocated as provided in s. 220.16, F.S. The term nonbusiness does not include income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer’s regular trade or business operations, or any amounts that could be included in apportionable income without violating the due process clause of the U.S. Constitution. In general, all transactions and activities of a taxpayer that are dependent upon, or contribute to the operations of the taxpayer’s economic enterprise as a whole, constitute the taxpayer’s trade or business. Functionally related dividends are presumed to be business income.

Nonbusiness income means rents and royalties from real or tangible personal property, capital gains, interest, dividends, and patent and copyright royalties, to the extent they do not arise from transactions and activities in the regular course of a taxpayer’s trade or business.

Line 1 - Nonbusiness Income (Loss) Allocated to Florida
Enter each type (for example: dividends, interest, and royalties) and the amount of nonbusiness income allocated to Florida on this line and on the front page of Florida Form F-1120 (Line 8).

Line 2 - Nonbusiness Income (Loss) Allocated Elsewhere
Enter each type (for example: dividends, interest, and royalties), the state or country to which the nonbusiness income is allocated, and the amount of nonbusiness income.

Line 3 - Total Nonbusiness Income
Enter the sum of Lines 1 and 2 on Line 3 and on Schedule II, Line 7.

Estimated Tax Worksheet
You must make estimated payments if your corporate income tax liability exceeds $2,500. Complete the worksheet to determine if estimated tax is due.

Line 2 - Florida Exemption $50,000
Members of a Controlled Group - Only one $50,000 exemption is allowed to a controlled group of corporations. For any Florida taxpayer who is a member of a controlled group, the manner in which the members allocate the $50,000 exemption for purposes of filing the annual Florida return will be binding upon all members with respect to estimated tax. This includes the determination of whether a declaration was required and the computation of penalties and interest on underpayments.
Filing Tips

- Be sure to make personal file copies of your return and schedules before mailing originals to the Department of Revenue.

- Notify the Department of a change of address online at: floridarevenue.com/taxes/updateaccount

- For ease of processing and to ensure the Department properly records your return and payment, use an original form whenever possible.

- To find filing due dates for the current year go to the Department's website at floridarevenue.com/taxes/cit/duedates
### Contact Us

Information, forms, and tutorials are available on the Department’s website at [floridarevenue.com](http://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](http://floridarevenue.com/taxes/servicecenters).

**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.


### References

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

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Instructions for Preparing Form F-1120X
Amended Florida Corporate Income/Franchise Tax Return

Corporate income tax is imposed by section (s.) 220.11, Florida Statutes (F.S.). You must use Florida Form F-1120X to correct a tax return that you previously filed on Florida Forms F-1120 or F-1120A. Use Florida Form F-1120X to correct your return as originally filed or as later adjusted by an amended return, a claim for refund, or an examination.

Note: Florida law does not allow net operating loss carrybacks or capital loss carrybacks.

You must attach a copy of any schedule, form, or statement filed with the federal form that is applicable to your Florida Form F-1120X. A claim for refund is subject to audit verification and must be supported by proper documentation so the Department of Revenue can process your claim.

When to file – You may file Florida Form F-1120X only after you have filed the original return. You should file Florida Form F-1120X as soon as there is a change in the taxable income reported on your original return. Generally, you must file a refund claim within three years.

Specific Instructions

Enter the current name and address of your corporation. If the corporation’s name has changed since you filed the original return, write the previous name of the business on the line marked “Formerly known as.” If the name has not changed, leave this line blank.

Check the reason you are filing an amended return. If it is the result of an amended federal return, attach a copy. If it is the result of an Internal Revenue Service (IRS) audit adjustment, attach a signed, dated copy of IRS Form 4549A (Income Tax Examination Changes) or other document evidencing the completed audit. Form 4549A is also referred to as a Revenue Agent Report (RAR). Enter the date of the IRS report. Check the box showing the type of return that you are amending.

Record the Federal Employer Identification Number (FEIN) of the corporation. Enter the beginning and ending dates of the tax year for which you are filing an amended return. Enter the date of the last return filed for your corporation.

Part I

Enter all data in Part I of Florida Form F-1120X. You may need attachments to support the entries in Part I. Attach an appropriate updated Florida Form F-1120 schedule if there are changes. Any substitute schedules must contain all the required information and follow the format of the Department’s printed schedules. Include the corporate name and FEIN on all attachments. Incomplete or missing information on Florida Form F-1120X may cause processing delays.

The line numbers on Florida Form F-1120X correspond to line numbers of the Florida Form F-1120, with a few exceptions. We outline these exceptions below. In Column A, enter the specified amounts from Florida Forms F-1120 or F-1120A as originally reported or later adjusted. In Column B, enter the corrected amount.

Time Limitations – You have 60 days to file Florida Form F-1120X, after the adjustments to your federal taxable income have been agreed to or finally determined. These adjustments to your income may occur through a federal tax audit or a federal amended return. Per s. 220.23(2)(d), F.S., you must file a refund claim based on a federal audit adjustment within two years after the required Florida Form F-1120X filing date, whether or not you filed the Florida Form F-1120X.

Where to Send Payments and Returns

Make check payable to and send with return to:
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0135

If you are requesting a refund (Line 22), send your return to:
Florida Department of Revenue
PO Box 6440
Tallahassee FL 32314-6440

Effective 01/19

Page 1 of 2
in the space provided on the front of the payment coupon. Make any check payable to the Florida Department of Revenue.

**Lines 20 through 22 - Overpayment.** Indicate how you wish to apportion your overpayment:

- Enter on Line 20, the amount of overpayment from Line 19 that you want credited to estimated tax,
- Enter on Line 21, the amount of overpayment from Line 19 to be offset against underpayments for other years if amended returns are also being filed for other years, and/or
- Enter on Line 22, the amount of overpayment from Line 19 you want refunded. Sub S corporations must include the Notice of Acceptance as an S Corporation from the IRS if it has not been included with previously filed returns.

**Part II - Explanation of Changes to Income, Deductions, Credits, etc. (Use the space provided and/or attach additional sheets.)** Enter the line reference for which a change is reported. Give the reason for each change. If the change involves an item of income, deduction, or credit that Florida Form F-1120 or its instructions requires you to support with a schedule, statement, or form, attach the correct schedule, statement, or form to this Florida Form F-1120X. Explain any computational changes and attach supporting schedules. Explain any changes in the apportionment fraction used on the original return. Use Schedules III and IV of Florida Form F-1120 to recompute the apportionment fraction and to determine the Florida portion of adjusted federal or net income. Attach these schedules to Florida Form F-1120X.

**Signature and Verification**

An officer of the entity who is authorized to sign for that entity must sign all returns. An original signature is required. We will not accept a photocopy, facsimile, or stamped signature. A receiver, trustee, or assignee must sign any return you are required to file on behalf of your organization.

Any person, firm, or corporation who prepares a return for compensation must also sign the return and provide:

- Federal employer identification number (FEIN), and
- Preparer tax identification number (PTIN).

---

**Remember**

- Make your check payable to the Florida Department of Revenue in US dollars.
- Write your FEIN on your check.
- Sign your check and all returns.
- Attach your signed, dated copy of IRS Form 4549A and/or other required documents.

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**Contact Us**

Information, forms, and tutorials are available on the Department’s website 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, visit floridarevenue.com/taxes/servicecenters

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.

Visit floridarevenue.com/dor/subscribe

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**References**

The following documents were mentioned in this form and are incorporated by reference in the rules indicated below. The forms are available online at floridarevenue.com/forms.

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<td>Amended Florida Corporate Income/Franchise Tax Return</td>
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Underpayment of Estimated Tax on Florida Corporate Income/Franchise Tax

For Tax Year:

Beginning ___________________

Ending ____________________

Federal Employer Identification Number (FEIN): ________________________________

Name: _____________________________________________________________________

Address: __________________________________________________________________

City/State/ZIP: __________________________________________________________________

1. Total income/franchise tax due for the year (enter from Florida Form F-1120, Line 13)

2. 90% of Line 1

Enter in Columns 1 through 4 the installment dates.
(See Installment Dates in the instructions)

3. Enter 25% of Line 2 in Columns 1 through 4

4. (a) Amount paid for each period

(b) Overpayment credit from prior year

(c) Overpayment of previous installment

5. Total of Lines 4(a), 4(b), and 4(c)

6. Underpayment (Line 3 less Line 5) or overpayment (Line 5 less Line 3). An overpayment on Line 6 in excess of all prior underpayments is to be applied as a credit against the next installment. (See Line 4c)

Exception that avoids penalty and interest

7. Total cumulative amount paid (or credited) from the beginning of the taxable year through the installment date indicated.

8(a). Tax on prior year's income using current year's rates:

25% of tax 50% of tax 75% of tax 100% of tax

8(b). Cumulative donations made to nonprofit scholarship-funding organizations (SFOs) for the taxable year. Certificate of contribution must be issued for the taxable year.

8(c). Line 8(a) less Line 8(b). This is the prior year exception adjusted for the credit for contributions to SFOs per sections 1002.395(5)(g) and 220.1875, Florida Statutes (F.S.)

Check below if the exception applies for each underpaid installment [Line 7 must equal or exceed Line 8(c)]

Attach a schedule showing the computation. The exception does not apply, complete Lines 9 through 14 to determine the amount of the penalty and interest.

Exception: 1st Installment ☐ 2nd Installment ☐ 3rd Installment ☐ 4th Installment ☐

If Line 6 shows an underpayment and the exception does not apply, compute the underpayment penalty and interest by completing the portion(s) of this schedule applicable to the installments. Enter same installment dates used above

9. Amount of underpayment

10. Enter the date of payment or the due date of the corresponding Florida Corporate Income/Franchise Tax return, whichever is earlier.

11. Number of days from due date of installment to the dates shown on Line 10

12. Penalty on underpayment (12% per year on the amount of underpayment on Line 9 for the number of days shown on Line 11)

Total Penalty

13. Interest on underpayments. In general, interest will be the appropriate interest rate on the amount of underpayment on Line 9 for the number of days shown on Line 11

Total Interest

14. Total of amounts shown on Lines 12 and 13. If this Florida Form F-2220 is being filed with your return, the amounts shown as penalty and interest should be entered on appropriate line of Florida Form F-1120
Installment Dates – Generally, for tax years ending 6/30, the declaration or payment of estimated tax is due on or before the last day of the 4th month, the last day of the 6th month, the last day of the 9th month, and the last day of the tax year. For tax years not ending on 6/30, the declaration or payment of estimated tax is due on or before the last day of the 5th month, the last day of the 6th month, the last day of the 9th month, and the last day of the tax year. Installment due dates that fall on a Saturday, Sunday, or legal holiday extend to the next business day, with the exception of installments due on the last day of June, which must be paid on or before the last Friday of June.

Estimated Tax – Every domestic or foreign corporation or other entity subject to taxation under Chapter 220, F.S., must report estimated tax for the taxable year if the amount of income tax liability for the year is expected to be more than $2,500.

Purpose of Form – This form will enable taxpayers to determine if they paid the correct amount of each installment of estimated tax by the proper due date. If the minimum amount was not paid timely, we may impose penalty and interest.

Computation of Underpayments – Make entries on Lines 1 through 6 following the instructions for each line item. Enter on Line 4(c) the previous installment’s overpayment (Line 6) but only if the overpayment exceeds all prior underpayments. If Line 6 shows an underpayment of any installment, complete Lines 7 and 8 and Lines 9 through 14, to the extent applicable. If the requirements for filing the declaration of estimated tax were met during the tax year and fewer than four installment payments were required, attach an explanatory statement including computations.

Exception to Avoid Penalty and Interest – You will not owe penalty or interest for an underpaid installment on Line 6 if the total amount of all payments made by the installment date equals or exceeds the amount that would have been required to be paid using the preceding year’s tax (see s. 220.34, F.S.). Calculate the exception using Lines 7 and 8. The prior year exception calculation includes donations to nonprofit scholarship-funding organizations made for the current year under the Florida Tax Credit Scholarship Program. The certificate of contribution must be issued on or after the beginning of the tax year and on or before the due date of the return, or extended due date with a valid extension of time.

A taxpayer’s noncompliance with the requirement to pay tentative taxes may result in the revocation and rescinding of the credit when the allocation of credit is made after a request for an extension of time. See s. 220.1875, F.S. In addition, the credit is required to be reduced by the difference between the amount of federal corporate income tax taking into account the credit and the amount of federal corporate income tax without application of the credit.

A taxpayer may not use the prior year exception if the previous tax year was for a short tax year (not a full 12 months), except where the short period is due to a change in accounting period. You may not use the prior period exception in your first year of operation.

Note: The Florida Income Tax Code does not allow annualizing taxable income to determine the requirement for making an individual installment.

Computation of Penalty and Interest – Follow the instructions on the form to complete Lines 9 through 14. For purposes of determining the date of payment on Line 10, a payment of estimated tax on any installment date is considered a payment of any previous underpayment only to the extent the payment exceeds that amount of the installment as computed on Line 3. If you made more than one payment for a given installment, attach a separate computation for each payment.

Line 13 — Interest on Underpayments – The interest rate on each underpayment will vary depending on the date of the payment and the interest rate or rates in effect for the period. It may be necessary to attach a separate schedule showing the computation of interest on each underpayment. A floating rate of interest applies to underpayments and late payments of estimated tax. The rate is updated January 1 and July 1 of each year by using the formula established in s. 220.807, F.S. To obtain interest rates:

- Visit the Department’s website at floridarevenue.com/taxes/rates
- Call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

Reference
The following document was mentioned in this form and is incorporated by reference in the rule indicated below.
The form is available online at floridarevenue.com/forms.

Form F-1120 Florida Corporate Income/Franchise Tax Return Rule 12C-1.051, F.A.C.
ATTACHMENT 3
MEMORANDUM

TO:
The Honorable Rick Scott, Governor  
Attention: Kristin Olson, Deputy Chief of Staff  
Amanda Mandrup-Poulsen, Deputy Cabinet Affairs Director

The Honorable Jimmy Patronis, Chief Financial Officer  
Attention: Robert Tornillo, Director of Cabinet Affairs  
Stephanie Leeds Sutton, Deputy Director of Cabinet Affairs

The Honorable Pam Bondi, Attorney General  
Attention: Erin Sumpter, Chief Cabinet Aide

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services  
Attention: Brooke McKnight, Director of Cabinet Affairs  
Jessica Field, Deputy Cabinet Affairs Director

THROUGH: Leon M. Biegalski, Executive Director

FROM: Debbie Longman, Director, Legislative and Cabinet Services

SUBJECT: Requesting Adoption and Approval to File and Certify Proposed Rules

Statement of Sections 120.54(3)(b) and 120.541, F.S., Impact: No impact
The Department has reviewed these proposed amended rules and forms for compliance with sections 120.54(3)(b) and 120.541, Florida Statutes. These proposed rules will not have an adverse impact on small businesses, small counties, or small cities and will not likely have an increased regulatory cost in excess of $200,000 within one year. Additionally, they will not have an adverse impact or increased regulatory cost in excess of $1,000,000 within five years.

What is the Department requesting?
The Department requests final adoption of the proposed rules below and approval to file and certify them with the Secretary of State under Chapter 120, F.S.
What do the proposed amendments to these rules do?

Rule 12D-13.060, F.A.C., Application for Obtaining Tax Deed by Certificate Holder; Fees. The proposed amendment to this rule implements statutory changes from Section 1 of Chapter 2018-160, Laws of Florida, which amended s. 197.502(5), F.S. The amendment to the rule removes the phrase “ownership and encumbrance reports” and replaces it with “property information reports.”

Rule 12D-13.061, F.A.C., Minimum Standards for Ownership and Encumbrance Reports Made in Connection with Tax Deed Applications. The proposed amendment to this rule implements statutory changes from s. 1 of Chapter 2018-160, L.O.F., which amended s. 197.502(5), F.S. The amendment to the rule removes the phrase “ownership and encumbrance reports” and replaces it with “property information reports.”

Rule 12D-13.062, F.A.C., Notices; Advertising, Mailing, Delivering and Posting of Notice of Tax Deed Sale. The proposed amendment to this rule amends procedures clerk of court follow to notify owners of property subject to tax deed sales based on s. 2 of Chapter 2018-160, L.O.F., which amended s. 197.522, F.S. Subsection (3) of Rule 12D-13.062, F.A.C., is removed because the clerk may rely on address information on the certified tax roll and property information reports the tax collector provides.

Rule 12D-13.063, F.A.C., Tax Deed Sale at Public Auction. The proposed amendment to this rule adds current taxes, if due, to the amount used for the opening bid at a tax deed sale, pursuant to s. 1 of Chapter 2018-160, L.O.F., which amended s. 197.502(6), F.S.

Rule 12D-13.065, F.A.C., Disbursement of Sale Proceeds. The Department proposes repealing this rule because the suggested notice of disbursement of surplus sale proceeds is obsolete and clerks must use substantially the same form as provided in s. 197.582(2), F.S., as amended by s. 3 of Chapter 2018-160, L.O.F.

Were comments received from external parties?

No. The Department scheduled a rule development workshop for July 19, 2018, if requested in writing. The Department received no requests for the workshop and no workshop was held.

The Department scheduled a rule hearing for October 9, 2018, if requested in writing. The Department received no requests for the hearing and no hearing was held. The Department received no written comments from the public on the rule amendments or repeal.

Attachments
- Summaries of the proposed rules, which include:
  - Statement of facts and circumstances justifying the rules
  - Federal comparison statements
  - Summary of the workshop and the hearing
- Rule text
STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-13, FLORIDA ADMINISTRATIVE CODE
TAX COLLECTOR RULES AND REGULATIONS
AND REPEAL OF 12D-13.065, F.A.C.

SUMMARY OF PROPOSED RULES

The proposed amendments are to incorporate statutory changes enacted in Chapter 2018-160, Laws of Florida. The purpose of amending Rules 12D-13.060, Florida Administrative Code, Application for Obtaining Tax Deed by Certificate Holder; Fees and 12D-13.061, F.A.C., Minimum Standards for Ownership and Encumbrance Reports Made in Connection with Tax Deed Applications, is to replace “ownership and encumbrance reports” with “property information reports,” to implement statute changes from section 197.502(5), Florida Statutes. The purpose of amending Rule 12D-13.062, F.A.C., Notices; Advertising, Mailing, Delivering and Posting of Notice of Tax Deed Sale, is to remove outdated procedures clerks of court follow to notify owners of property subject to tax deed sales amended in s. 197.522(3), F.S. The clerk may now rely on address information on the certified tax roll and property information reports. The purpose of amending Rule 12D-13.063, F.A.C., Tax Deed Sale at Public Auction, is to add current taxes, if due, to the total amount used for the opening bid at a tax deed sale based on amendments to s. 197.502(6), F.S. The purpose of repealing Rule 12D-13.065, F.A.C., Disbursement of Sale Proceeds, is to remove the suggested notice of disbursement of surplus sale
proceeds. Section 197.582, F.S., provides language for a notice and procedures to claim surplus proceeds from a tax deed sale.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The proposed amendments are necessary to reflect statutory changes enacted in Chapter 2018-160, L.O.F.

FEDERAL COMPARISON STATEMENT

The provisions in this proposed amended rule chapter do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP SCHEDULED JULY 19, 2018

The Department of Revenue published a Notice of Rule Development for proposed amendments to Rules 12D-13.060, 12D-13.061, 12D-13.062, 12D-13.063, and repeal of 12D-13.065, F.A.C., in the Florida Administrative Register on July 3, 2018 (Vol. 44, No. 129, p. 3116). The Department scheduled a rule development workshop for July 19, 2018, if requested in writing. The Department received no requests for the workshop and no workshop was held. The Department received no written comments on the rule amendments or repeal.

SUMMARY OF PUBLIC MEETING HELD AUGUST 14, 2018

The Governor and Cabinet, sitting as head of the Department of Revenue, met on August 14, 2018, and approved the publication of the Notice of Proposed Rule for Rule Chapter 12D-13,
F.A.C. A notice for the public meeting was published in the Florida Administrative Register on August 6, 2018 (Vol. 44, No. 152, pp. 3649-3650).

SUMMARY OF RULE HEARING SCHEDULED OCTOBER 9, 2018

A Notice of Proposed Rule was published in the Florida Administrative Register on September 18, 2018 (Vol 44, No. 182, pp. 4284-4285), to advise the public of the proposed changes to Rules 12D-13.060, 12D-13.061, 12D-13.062, 12D-13.063, and repeal of 12D-13.065, F.A.C., and to provide that, if requested in writing, a rule hearing would be held on October 9, 2018. The Department received no requests for the hearing and no hearing was held. The Department received no written comments on the rule amendments.

A written comment was received from the staff of the Joint Administrative Procedures Committee. The Department responded to the comment. No changes were needed to the rule text.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-13, FLORIDA ADMINISTRATIVE CODE
TAX COLLECTORS RULES AND REGULATIONS
REPEALING RULE 12D-13.065

12D-13.060 Application for Obtaining Tax Deed by Certificate Holder; Fees.

(1) through (2) No change.

(3) PROCEDURE AFTER APPLICATION IS MADE – ALL CERTIFICATES.

(a) After receiving the property information report ownership and encumbrance report
including the abstract or title search, the tax collector must prepare and deliver a certification to
the clerk on Form DR-513, and attach a certification of the names and addresses of those persons
who must be notified, as required by Subsection 197.502(4), F.S.

(b) through (c) No change.

Rulemaking Authority 195.027(1), 213.06(1) FS. Law Implemented 28.24, 197.3632, 197.482,
197.502, 197.512, 197.522, 197.532, 197.542, 197.552, 197.562, 197.573, 197.582, 197.593,

12D-13.061 Minimum Standards for Property Information Ownership— and
Encumbrance Reports Made in Connection with Tax Deed Applications.

(1) Property information Ownership and-encumbrance reports must cover a minimum of 20
years before the tax deed application.

(2) The tax collector may choose to accept the property information ownership and encumbrance report in paper or electronic form.

Rulemaking Authority 195.022, 195.027(1), 213.06(1) FS. Law Implemented 197.502 FS. History—New 6-18-85, Formerly 12D-13.61, Amended 12-3-01, 12-30-04, 4-5-16, xx-xx-xx.

12D-13.062 Notices; Advertising, Mailing, Delivering and Posting of Notice of Tax Deed Sale.

(1) through (2) No change.

(3) If the notice to titleholders required by Sections 197.502(4)(a) and 197.522(1), F.S., is returned to the clerk as "undeliverable," the clerk should review the most recent property tax roll and the clerk’s court and other records containing address information to attempt to get a valid address. If an additional address is found, notice should be resent to the titleholder at that address.


(1)(a) The statutory (opening) bid required by the clerk at the sale must be the sum of:

1. Current taxes, if due.

1. through 8. renumbered 2. through 9. No change.

(b) No change.

(2) through (4) No change.

12D-13.065 Disbursement of Sale Proceeds.

(1) When the property is purchased for an amount exceeding the tax deed applicant’s expenses, the clerk must send notices to those persons listed in Sections 197.502(4)(a) through (g), F.S., advising them of the surplus funds. A suggested form of the notice is:

NOTICE

CTF NO. ___________ Property Description ___________

As required by Chapter 197, F.S., the above property was sold at public sale on __________. After payment of all funds due to government units has been made, a surplus of $________ will remain and be held by this office for the benefit of persons having an interest in this property, as described in Sections 197.502(4)(a) through (g), F.S.

Attached is a copy of the abstract of this property received from the office of the tax collector reflecting all persons having an interest in this property according to Sections 197.502(4)(a) through (g), F.S.

Date: ________________

____________________

Clerk

____________________

County

(2) All records pertaining to tax deed sale surplus funds should remain with the clerk.
Rulemaking Authority 195.022, 195.027(1), 213.06(1) FS. Law Implemented 195.022, 197.473, 197.502, 197.522, 197.532, 197.542, 197.582, 298.36, 298.365, 298.366, 298.465, 298.54 FS.

ATTACHMENT 4
December 4, 2018

MEMORANDUM

TO: The Honorable Rick Scott, Governor  
Attention: Kristin Olson, Deputy Chief of Staff  
Amanda Mandrup-Poulsen, Deputy Cabinet Affairs Director  

The Honorable Jimmy Patronis, Chief Financial Officer  
Attention: Robert Tornillo, Director of Cabinet Affairs  
Stephanie Leeds Sutton, Deputy Director of Cabinet Affairs  

The Honorable Pam Bondi, Attorney General  
Attention: Erin Sumpter, Deputy Director of Cabinet Affairs  

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services  
Attention: Brooke McKnight, Director of Cabinet Affairs  
Jessica Field, Deputy Cabinet Affairs Director  

THRU: Leon M. Biegalski, Executive Director

FROM: Debbie Longman, Director, Legislative and Cabinet Services

SUBJECT: Requesting Approval to Hold Public Hearings on Proposed Rules

Statement of Sections 120.54(3)(b) and 120.541, F.S. Impact: No impact.  
The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small counties, or small cities, and they are not likely to have an increased regulatory cost in excess of $200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of $1,000,000 within 5 years.

What is the Department requesting? Section 120.54(3)(a), F.S., requires the Department to obtain Cabinet approval to hold public hearings for the development of proposed rules. The Department therefore requests approval to publish a Notice of Proposed Rule in the Florida Administrative Register for the following proposed rules in Chapter 12-25, F.A.C.
**Why are the proposed rules necessary?** These rule changes are necessary to make minor administrative updates and to address comments from the staff of the Joint Administrative Procedures Committee. The changes update the method of incorporating materials by reference to comply with procedures in Chapter 120, remove obsolete or redundant information; and update procedures and cross-references to reflect current law and practices.

**What do the proposed rules do?**

*Definitions, Rule 12-25.031, F.A.C.*: clarify two definitions.

*Eligibility and Qualifications, Rule 12-25.033, F.A.C.*: the proposed amendment removes an obsolete provision and incorporates a referenced material in accordance with statutory requirements.

*Responsibility for Program Training, Certification Procedures, and Program Eligibility, Rule 12-25.035, F.A.C.*: the proposed amendment removes obsolete provisions and updates the rule with current procedures.

*Applying for Participation in the Program, Rule 12-25.037, F.A.C.*: the proposed amendment incorporates a referenced material in accordance with statutory requirements and removes an unclear provision.

*Development of Agreed Upon Procedures, Rule 12-25.047, F.A.C.*: the proposed amendment removes an unnecessary provision, incorporates a referenced material in accordance with statutory requirements, and provides a cross-reference for an incorporated form.

*Submission of the Certified Audit Program, Rule 12-25.048, F.A.C.*: the proposed amendment removes an unnecessary provision.

**Were comments received from external parties?** Yes. A rule workshop was held on November 7, 2018, as requested in writing. Comments were received from members of the public at the workshop, and the rule language included reflects some of the requested changes. No written comments were received.

For each rule, attached are copies of:

- Summary of the proposed rules, which includes:
  - Statements of facts and circumstances justifying the rules;
  - Federal comparison statements; and
  - Summary of the workshop
- Rule text
- Incorporated materials
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12-25, FLORIDA ADMINISTRATIVE CODE

ADMINISTRATIVE

AMENDING RULES 12-25.031, 12-25.033, 12-25.035, 12-25.037, 12-25.047, AND 12-25.048

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12-25.031, F.A.C., clarify two definitions. The proposed amendments to Rule 12-25.033, F.A.C., remove an obsolete provision and incorporate a referenced material in accordance with statutory requirements. The proposed amendments to Rule 12-25.035, F.A.C., remove obsolete provisions and update the rule with current procedures. The proposed amendments to Rule 12-25.037, F.A.C., incorporate a referenced material in accordance with statutory requirements and remove an unclear provision. The proposed amendments to Rule 12-25.047, F.A.C., remove an unnecessary provision, incorporate a referenced material in accordance with statutory requirements, and provide a cross-reference for an incorporated form. The proposed amendments to Rule 12-25.048, F.A.C., remove an unnecessary provision.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Changes to Rules 12-25.031, 12-25.033, 12-25.035, 12-25.037, 12-25.047, and 12-25.048, F.A.C., are necessary to bring the rules into compliance with current administrative procedure law and Department practices.
FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

NOVEMBER 7, 2018

A Notice of Development of Rulemaking was published in the Florida Administrative Register on October 24, 2018 (Vol. 44, No. 208, p. 4891), to advise the public of the proposed repeal of Rule 12-25.0305, F.A.C., and the proposed changes to Rules 12-25.031, 12-25.033, 12-25.035, 12-25.037, 12-25.047, and 12-25.048, F.A.C., and to provide that, if requested in writing, a rule development workshop would be held on November 7, 2018. A request was received, and a workshop was held on November 7, 2018. Comments were received from members of the public at the workshop, and changes were made to Rule 12-25.035 in response to those comments. In addition, the proposed repeal of Rule 12-25.035 was withdrawn at the request of interested parties at the workshop. No written comments were received by the Department.
NOTICE OF PROPOSED RULE

DEPARTMENT OF REVENUE

CONTRACT AUDITING

RULE NO: RULE TITLE:

12-25.031 Definitions

12-25.033 Eligibility and Qualifications

12-25.035 Responsibility for Program Training, Certification Procedures, and Program Eligibility

12-25.037 Applying for Participation in the Program

12-25.047 Development of Agreed Upon Procedures

12-25.048 Submission of the Certified Audit Report

PURPOSE AND EFFECT: The purpose of these amendments is to update rules related to certified audits for consistency with administrative procedures, current statutory requirements for incorporation of materials, and to remove obsolete references. The effect of the amendments is to ensure rules are consistent with current law and procedures, and to remove unnecessary or obsolete provisions.

SUMMARY: The proposed amendments to Rule 12-25.031, F.A.C., make administrative changes to two definitions. The proposed amendments to Rule 12-25.033, F.A.C., remove obsolete provisions and incorporate a referenced material in accordance with statutory requirements. The proposed amendments to Rule 12-25.035, F.A.C., remove obsolete provisions and update the rule with current procedures. The proposed amendments to Rule 12-25.037, F.A.C., incorporate a referenced material in accordance with statutory requirements and remove an unclear provision. The proposed amendments to Rule 12-25.047, F.A.C., remove an
unnecessary provision, incorporate a referenced material in accordance with statutory requirements, and provide a cross-reference for an incorporated form. The proposed amendments to Rule 12-25.048, F.A.C., remove an unnecessary provision.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION: The Agency has determined that these rules will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of $200,000 in the aggregate within one year after the implementation of the rules. A Statement of Estimated Regulatory Cost has not been prepared by the agency. The Agency has determined that the proposed rules are not expected to require legislative ratification based on the Statement of Estimated Regulatory Cost or if no Statement of Estimated Regulatory Cost is required, the information expressly relied upon and described herein: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences regarding rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S. Any person who wishes to provide information regarding a Statement of Estimated Regulatory Costs, or provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 213.06(1), 213.285(7) FS.

LAW IMPLEMENTED: 213.285 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: TBD
PLACE: TBD

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Becky Avrett at (850)717-6799. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TTY).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Tammy Miller, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 617-8346.

THE FULL TEXT OF THE PROPOSED RULE IS:
12-25.031 Definitions.

The following definitions shall apply to this Part:

(1) “Board” means the State of Florida Board of Accountancy, as provided in Chapter 473, F.S.

(2) “Certified Public Accountant” shall have the same meaning as the term is defined in Section Chapter 473.302(4), F.S.

(3) through (11) No change.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History—New 8-23-99, Amended_________.

12-25.033 Eligibility and Qualifications. (1)(a) No change.

(b) Any practitioner employed by the qualified audit firm who performs audit analysis, makes auditing decisions on source documents, taxpayer data or sales transactions, or who performs agreed-upon procedures, except for the gathering of information for the planning work discussed in subparagraphs 12-25.047(1)(b)1., 2., 4., 5., 6. and 7., F.A.C., scheduling, or reconciling, must successfully complete a training course approved by the Department prior to their initial performance of the subject activities. The Department will approve the training, including instructional curriculum and materials, and testing, administered and delivered by the
contract provider, if the provider meets all the conditions contained in pages 20 through 23 of the contract required to be established by both parties pursuant to Section 213.285(1), F.S., and Section 4 of Chapter 98-95, Laws of Florida. This contract is adopted and incorporated by reference. However, the Department shall grant a waiver of this requirement for a specific certified audit in circumstances where a practitioner working on the subject audit can not complete his or her work due to a documented medical reason, a documented family emergency, or the practitioner has left the employment of the firm. The training course will, at a minimum, teach the basics of Florida Sales and Use tax law, and will include a required examination. The Department will be the final authority on the content of the training course and the nature, number, and type of questions on the examination. “Successfully complete” means the participant has met all the requirements for the course and achieved a scaled score of 70 percent. Further, any practitioner performing the subject activities shall be supervised by a qualified practitioner. The subject qualified practitioner will be physically on-site where the activities are performed.

(c) through (e) No change.

(2) To be eligible to provide a certified audit service to a taxpayer, the qualified audit firm must be independent with respect to that taxpayer, pursuant to the guidelines established by Form DR-343000, Certified Audit Program Independence Issues, effective XX/XX (http://www.flrules.org/Gateway/reference.asp?No=Ref-_____), Florida Board of Accountancy Advisory Opinions issued on certified audit independence questions, which are hereby adopted and incorporated by reference. The Department will determine if the circumstances and facts of the particular situation are materially the same as situations for which guidelines were previously issued. If the facts and circumstances are unique or if the qualified audit firm believes there are
differences between their situation(s) and the situation(s) previously addressed by the Board that were the basis for the Department to deny participation, then the qualified audit firm can request an Advisory Opinion from the Board on the particular situation(s). The Department shall then decide based on the guidelines in the Board’s response to that request and based on General Standard No. 2 (Independence), Generally Accepted Auditing Standards, which are adopted and incorporated by reference. If the qualified audit firm does not agree with the Department’s decision, it can request a Declaratory Statement from the Board, which determination will be final.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History–New 8-23-99, Amended______.

12-25.035 Responsibility for Program Training, Certification Procedures, and Program Availability.

(1) The Department or the Florida Institute of Certified Public Accounts (FICPA) will provide the instructional curriculum and materials for the certified audit program and deliver this curriculum in a training context. If the FICPA is responsible for these services, they will receive the Department’s review and approval before distributing materials or performing the training.

(1) Subject to the Department’s supervision and approval, the Florida Institute of Certified Public Accounts (FICPA) shall:

(a) Develop the instructional curriculum and materials for the certified audit program;

(b) Deliver this curriculum in a training context;

(c) Test qualified practitioners and practitioners who have participated in such training; and,

(d) Administer the training and testing process.
(2) Subject to the Department’s supervision and approval, the FICPA will:
   (a) Oversee registration of eligible training participants for the certified audit program; and
   (b) Test eligible training participants who have participated in such training.

(2) The Department will approve the training, including instructional curriculum and materials, and testing administered and provided by the FICPA, if the FICPA meets all the conditions contained in the contract which must be established by both parties pursuant to Section 213.285(1), F.S., and Section 4 of Chapter 98-95, Laws of Florida.

(3) through (4) No change.

(5) Continuing professional education is required for practitioners and qualified practitioners as part of the training required pursuant to the directives in Section 213.285(1)(a), F.S., and Section 4 of Chapter 98-95, L.O.F. These laws require the training to be developed and delivered by the FICPA and approved by the Department pursuant to the contract signed by the Department and the FICPA. The Department shall approve the continuing professional education program if it meets all the criteria established in the contract.

   (a) Practitioners must complete a continuing professional education program which will not exceed eight hours every two years.

   (b) A qualified practitioner must complete a continuing professional education program which will not exceed sixteen hours every two years.

(6) through (8) renumbered (5) through (7) No change.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History–New 8-23-99, Amended_____.

12-25.037 Applying for Participation in the Program.
(1) The following public use form is employed by the Department of Revenue in its dealings with the public, and is hereby incorporated in this rule by reference. Copies of this form are available, without cost, by one or more of the following methods: 1) writing the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112; or, 2) visiting any local Department of Revenue Service Center to personally obtain a copy; or, 3) calling the Forms Request Line during regular office hours at (850)488-6800; or, 4) downloading selected forms from the Department’s website at www.floridarevenue.com/forms. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY). When a qualified practitioner has a client who agrees to participate in the program, the qualified practitioner must complete a Request to Participate in the Certified Audit program (form DR-342000), which includes a Power of Attorney and Declaration of Representative (form DR-835, incorporated by reference in Rule 12-6.0015, F.A.C.), and submit the Request to Participate, including any required supporting information to the Department.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR-342000</td>
<td>Request to Participate in the Certified Audit Program (N. 8/99)</td>
<td>XX/XX 8/99</td>
</tr>
</tbody>
</table>

(http://www.flrules.org/Gateway/reference.asp?No=Ref-_____

(2) No change.

(3) As a condition of acceptance in the Certified Audit program, a taxpayer will have to sign a statement declaring that he or she agrees to pay the audit assessment within 60 days of:

(a) The date the audit has been agreed to; or

(b) The date the taxpayer’s protest and appeal rights have expired.

However, if the Certified Audit results in the taxpayer entering into a stipulated payment
agreement, interest would accrue from the date to which the stipulated payment agreement is
mutually agreed. If payment has not been received within the 60 days stipulated, and a stipulated
payment agreement has not been entered into, interest will accrue back to the date of the Notice
of Proposed Assessment, and continue to accrue through the date of payment in full.

(4) renumbered (3) No change.

(4) (5) A qualified practitioner may submit a written request to the Department for a 15-day
extension of the 30-day time period discussed in subsection (3) (4) of this rule. The Department
will not accept more than two consecutive written requests for a 15-day extension for the same
Request To Participate.

(6)(a) renumbered (5)(a) No change.

(b) Denying the Request to Participate, unless the provisions of subsection (3) (4) apply.

(7) through (9) renumbered (6) through (8) No change.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History–New
8-23-99, Amended_____.

12-25.047 Development of Agreed Upon Procedures.

(1)(a) Certified Audits conducted pursuant to the authority of Section 213.285, F.S., are
attestation engagements that are conducted under Statements on Standards for Attestation
Engagements #4—Agreed Upon Procedures, which are adopted and incorporated by reference.

(b) Subsequent to the Department’s approval of the Request to Participate, and prior to the
qualified practitioner submitting the Audit Plan, the qualified practitioner will perform required
planning work. The planning work performed will include:

1. through 5. redesignated (a) through (e) No change.
(f) The Form DR-15 Sales and Use Tax Return, incorporated in Rule 12A-1.097, F.A.C., 
download print-out from the Department’s audit software;

(g) Performance of and reporting on steps AP.001 through AP.300 of the Standard Audit 
Program Form DR-344000, Certified Audit Standard Audit Program, effective XX/XX 
(http://www.flrules.org/Gateway/reference.asp?No=Ref-_____), which is are adopted and hereby 
incorporated by reference.

8. redesignated (h) No change.

a. through g. renumbered 1. through 7. No change.

9. through 10. redesignated (i) through (j) No change.

(2) through (5) No change.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History–New 
8-23-99, Amended_____.

12-25.048 Submission of the Certified Audit Report.

The qualified practitioner will submit the certified audit report and required attachments to the 
Department for review and approval.

(1) The certified audit report must meet all the requirements established by Statements on 
Standards for Attestation Engagements #4.

(2) through (5) Renumbered (1) through (4) No change.

Rulemaking Authority 213.06(1), 213.285(7) FS. Law Implemented 213.285 FS. History–New 
8-23-99, Amended_____.

7
NAME OF PERSON ORIGINATING PROPOSED RULES: Tammy Miller

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULES: Governor and Cabinet

DATE PROPOSED RULES APPROVED BY AGENCY HEAD: TBD

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: October 24, 2018
The Department of Revenue submitted 21 hypothetical client relationship scenarios to the Florida Board of Accountancy (the Board). These hypothetical scenarios attempt to represent the more common types of relationships that CPAs have with clients relating to Florida Sales and Use Tax. The Board has ruled on each of the hypothetical scenarios as indicated.

Professional standards require that a CPA must be independent to perform Agreed-Upon Procedures. The following rulings are intended to be used as a guide pursuant to the requirements of proposed rule 12-25.033(2) Eligibility and Qualifications for the Certified Audit Program which read, "To be eligible to provide a certified audit service to a taxpayer, the qualified audit firm must be independent with respect to that taxpayer, pursuant to the guidelines established by the Florida Board of Accountancy Advisory opinions issued on certified audit independence questions.

The Department will determine if the circumstances and facts of the particular situation are materially the same as situations for which guidelines were previously issued. If the facts and circumstances are unique or if the qualified audit firm believes there are differences between their situation(s) and the situation(s) previously addressed by the Board that were the basis for the Department to deny participation, then the qualified audit firm can request an Advisory Opinion or a Declaratory Statement from the Board on the particular situation. The Department shall be guided by the Board’s response to that request.”

**Situation #1**

A CPA prepares Florida sales and use tax returns for a client from 1993 to the present. The CPA prepares the returns based on numbers provided by the client. The CPA only evaluates the numbers for "reasonableness" and, accordingly, does not take responsibility for their accuracy. The CPA signs the returns as preparer.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. Performing the certified audit requires the CPA to review the prepared returns for compliance with Florida Sales and Use Tax laws and rules. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

**Situation #2**

The same as #1, except the CPA does not sign the return.

**Conclusion:** Independence is not impaired.

**Situation #3**

The same as #1, except the CPA performs sufficient review to provide assurance the numbers are materially accurate.

**Conclusion:** Independence is impaired.

**Situation #4(A)**

The CPA provides ongoing compilation and corporate tax return services for a client. In 1994, the client requests, in writing, an interpretation on the taxability of certain sales transactions under Florida sales and use tax laws. The relevant tax law is subject to several different interpretations.
The CPA advises in writing that the subject transactions are exempt from Florida Sales Tax.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997.

Performing the certified audit requires the CPA to review returns that were prepared by the client based on the CPA's interpretation of sales and use tax laws for compliance with Florida sales and use tax laws. The CPA will then make an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

**Situation #4(B)**

The same as 4(a), except the CPA advises the client orally.

**Conclusion:** Independence is not impaired.

**Situation #5**

The same as #4, except the CPA response is based on a Department Technical Assistance Advisement (TAA).

A TAA is provided by the Department upon the request of a taxpayer or taxpayer representative. A TAA states the Department opinion on a specific set of facts. A TAA is binding on the Department for that taxpayer within that specific set of facts.

**Conclusion:** Independence is not impaired.

**Situation #6**

The same as #5 except the CPA response is based on a Department Letter of Technical Advisement (LTA).

An LTA is non-binding on the Department.

**Conclusion:** Independence is not impaired.

**Situation #7**

The same as #4, except the request is for an interpretation of taxability of certain sales transactions under the sales and use tax laws of states other than Florida.

**Conclusion:** Independence is not impaired.

**Situation #8**

The same as #4, except the request is for an interpretation of the taxability of one specific transaction under Florida sales and use tax.

The CPA performs the certified audit on all transactions except the subject transaction. The CPA fully discloses the facts regarding that single transaction and its tax treatment in the report. The Department then determines the taxability of that specific transaction.

**Conclusion:** Independence is not impaired.

**Situation #9**

The CPA performs a management consulting service for a client. The service is to design an accounting system. The accounting system generates the numbers that the client uses to prepare
their Florida sales and use tax returns.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. Performing the certified audit requires the CPA to review returns that were based on numbers generated by the accounting system for compliance with Florida sales and use tax laws. The CPA then makes an assertion on the completion of the agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

**Situation #10**

The CPA performs an Internal Accounting Control review engagement for a client. The engagement is to render an opinion on the adequacy of the internal accounting controls for the accounting system. The accounting system generates the numbers that the client uses to prepare their Florida sales and use tax returns.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. Performing the certified audit requires the CPA to review returns that were based on numbers generated by the accounting system for compliance with Florida Sales Tax laws. The CPA will then make an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

**Situation #11**

The CPA reviews the accounting system as part of a financial statement audit. The accounting system generates numbers that are used by the client to prepare their Florida sales and use tax returns. A recommendation for an improvement to the accounting system is made in the Management Letter Comments that is part of the audit report.

**Conclusion:** Independence is not impaired.

**Situation #12**

The CPA participates as a contract auditor for the FDOR under section 213.28, Florida Statutes, and Rule 12-25, F.A.C. The CPA uses the training and experience obtained as a contract auditor to provide a Florida sales and use tax self-audit service to a client. The client engages the CPA to use the Department audit procedures and training to review tax returns for the period 1993 to 1997. The CPA determines the subject returns are correct.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. Performing the certified audit requires the CPA to review returns that were previously reviewed in the self audit for compliance with Florida sales and use tax laws. The CPA will then make an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

**Situation #13**

The same as #12, except the CPA determines there is a material tax liability in the reviewed returns. The CPA reports this to the client. The client elects not to amend the subject returns.

**Conclusion:** Independence is not impaired.
Situation #14

In 1998, the CPA successfully completes the certification program. The CPA has a client that is interested in participating, but first asks the CPA to perform a pre-certified review. The CPA does, without Department involvement, and provides the results to the client. Based on the results provided by the CPA, the client elects to participate.

The CPA is retained by the subject client to perform a certified audit for the subject tax period. Performing the certified audit requires the CPA to review the returns that were previously reviewed in the pre-certified review.

**Conclusion:** Independence is not impaired.

Situation #15

The CPA provides financial statement attestation services for a client for 1993 to 1997. The sales and use tax expense and related transactions are material to the financial statements.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997.

Performing the certified audit requires the CPA to review returns that, if determined to include significant errors, could materially impact the 1993 to 1997 financial statements for compliance with Florida sales and use tax laws. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

Situation #16

The same situation as #15, but the sales and use tax expense and related transactions are immaterial to the financial statements.

**Conclusion:** Independence is not impaired.

Situation #17

The CPA prepares Federal tax returns for a client for 1993 to 1997. The CPA does not provide any other services to the client.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

Situation #18

The CPA performs a valuation of stocks service for a client in 1995. The CPA does not provide any other services to the client.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.
Situation #19
The CPA provides an expert testimony service for a client in 1995. The expert testimony involves sales and use tax issues.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is not impaired.

Situation #20
Same as #19, except the expert testimony does not involve sales and use tax issues.

**Conclusion:** Independence is not impaired.

Situation #21
The CPA has a proprietary interest in a client. The services the CPA provides do not violate professional standards.

In 1998, the CPA successfully completes the certification program. The CPA is retained by the subject client to perform a certified audit for the tax period January 1, 1993 to December 31, 1997. The CPA then makes an assertion on the completion of agreed upon procedures and the results.

**Conclusion:** Independence is impaired.
1. Taxpayer Name:

2. Telephone No.:  

3. FAX No.:  

4. Taxpayer Mailing Address:  
   Street or PO Box:  
   City:  
   State:  
   ZIP:  

5. Taxpayer Business Address:  
   Street or PO Box:  
   City:  
   State:  
   ZIP:  

6. Taxpayer Federal Employer Identification Number (FEIN):

7. Organization Type: (Check the appropriate box)  
   - Corporation  
   - Partnership  
   - Sole Proprietorship  
   - Trust  
   - S Corporation  
   - Professional Association  
   - Other (Specify)  


9. Gross Receipts: (Provide the taxpayer’s gross receipts for the last fiscal year of the proposed audit period.)  
   Year End:  
   Gross Receipts: $  

10. List all business names and registration numbers that were assigned and/or used by the taxpayer to report and remit sales and use tax within the last three (3) years of the proposed audit period. 

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Sales Tax Certificate Number</th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

11. CPA Firm Name:

12. CPA Firm Florida Practice Unit CPA Certificate Number:

13. CPA Firm FEIN:

14. CPA Firm Mailing Address:  
   Street or PO Box:  
   City:  
   State:  
   ZIP:  

15. CPA Firm Telephone No.:  

16. CPA Firm FAX No.:  

17. CPA Firm Email Address:

18. Provide the names and certification numbers of all CPA staff members who will be involved in the certified audit. Also, provide the names of all non-CPA staff members who will be involved in the certified audit. 

<table>
<thead>
<tr>
<th>Name</th>
<th>CPA Certification Number</th>
<th>Department of Revenue Certification Number</th>
<th>Role on Engagement</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
19. Is this request to participate in the Certified Audit Program so a refund can be requested using a sampling method to establish the refund amount?
   - Yes  - No   If yes, attach Forms DR-26S and DR-370060 along with the information required by the forms.

20. Provide the tax and audit period to be included in the certified audit. The tax and audit period are subject to approval by the Department of Revenue.

<table>
<thead>
<tr>
<th>Tax:</th>
<th>Audit Period:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

21. Attach a comprehensive, detailed list of all services your firm has provided the taxpayer.

22. Attach a copy of your firm’s most recent System Review (On-Site Peer Review). Rule 12-25.033, F.A.C., states in part...“the qualified audit firm must have received a timely on-site peer (system) review dated prior to the date of the Request to Participate and must have received an “Unqualified (Unmodified) Opinion” on such on-site peer (system) review.”

23. Provide the following information for each tax listed.

<table>
<thead>
<tr>
<th>Florida Tax</th>
<th>Business Name</th>
<th>Identification Number</th>
<th>Dates Returns Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Income</td>
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<td></td>
<td></td>
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<tr>
<td>Documentary Stamp</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Gross Receipts</td>
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<tr>
<td>Insurance Premium</td>
<td></td>
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<tr>
<td>Motor Fuel</td>
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<tr>
<td>Reemployment</td>
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</tbody>
</table>

Complete the following questions in sections 23a. through 23g. below for any taxes in which the taxpayer does not file a return. (Check the Yes or No box next to each question.)

23a. Communications Services Tax (Chapter 202, F.S., Florida Communications Services Tax Return, Form DR-700016):

   - Yes  - No

   - [Y] No Does the entity sell long distance or toll telephone services (not coin operated) that originate and terminate in Florida, or originate or terminate in Florida and are billed to a service address in Florida?

   - [Y] No Does the entity sell video services?

   - [Y] No Does the entity sell pay-per-view movies?

   - [Y] No Does the entity sell direct-to-home satellite services?

   - [Y] No Does the entity sell mobile communications services?

   - [Y] No Does the entity sell pager, beeper, or cell phone services?

   - [Y] No Does the entity sell FAX services that are not provided in the course of professional or advertising services?

   - [Y] No Does the entity sell telex, telegram, or teletype services?
     - If yes, please specify. ____________________________________________________________

   - [Y] No Does the entity use a private communications system?
     - If yes, please specify. ____________________________________________________________

   - [Y] No Has the entity purchased, installed, rented, or leased for his or her own use, a substitute communications system?
     - If yes, please specify. ____________________________________________________________
Yes  No

Does the entity sell bundled communication services?
If yes, what services are bundled? ____________________________________________

Has the entity made retail purchases of taxable communications services from a seller outside the state?
If yes, they must report and remit communications services tax, unless the seller is registered as a dealer in this state and collects the taxes.

23b. Corporate Income Tax (Chapter 220, F.S., Florida Corporate Income/Franchise Tax Return, Form F-1120):

Yes  No

Is your entity incorporated?
If yes, are you a Florida corporation?
If no, under which state are you incorporated? ________________________________

If your entity is incorporated, has it elected to be taxed as an S Corporation
(Sections 1361 - 1379 of the Internal Revenue Code)?

Is your company a member of a joint venture, syndicate or a partnership doing business in Florida?
If yes, list separately the name(s) and FEI number(s) of any other corporate partner(s). ________________________________

Does the entity maintain a place of business, whether owned or rented, factory, retail store, sales office or inventory in Florida?
If yes, please specify. __________________________________________________________

Does the entity perform any service, conduct seminars, or provide consulting services for intangible assets, within the state?

Since you are registered to collect Florida sales and use tax, please provide an explanation of why you are a non-filer for corporate income tax.

23c. Documentary Stamp Tax (Chapter 201, F.S., Refer to Rule 12B-4.003, F.A.C., for appropriate form):

Yes  No

Does the entity loan customers money and have them sign a document stating the specific amount that they owe?

Does the entity provide financing for customers and have them sign a written financial agreement?

Does the entity engage in sales finalized by written agreements that do not require recording by the clerk of the court?

Does the entity have 5 (five) or more of these sales per month?

Does the entity engage in selling real property in the state of Florida under an agreement or contract for deed?
If yes, are these contracts recorded at the courthouse?

Is the entity a lessor of tangible property in the state of Florida where the lessee fully owns the tangible property at the end of the lease?

Is the entity a lessor of tangible property using a written agreement containing an unconditional obligation to pay money?
23d. Gross Receipts Tax (Chapter 203, F.S., Gross Receipts Tax Return DR-133):

Yes  No

☐ Yes  ☐ No  Do you sell, deliver or transport electricity and/or natural or manufactured gas (except liquefied petroleum (L.P.) gas) in Florida?

☐ Yes  ☐ No  Do you own or operate an electric, a natural or a manufactured gas distribution facility in Florida that transmits, delivers, or sells electricity and/or natural or manufactured gas?

☐ Yes  ☐ No  Are you a natural gas transmission company that is subject to the jurisdiction of the Federal Energy Regulatory Commission?

☐ Yes  ☐ No  Do you import utility services into Florida for your own use?

☐ Yes  ☐ No  Do you provide the wholesale sale of electric transmission services?

☐ Yes  ☐ No  Are you eligible for an exemption under the industrial classifications listed in Section 212.08(7)(ff)2., F.S., for use as an energy source or a raw material?

☐ Yes  ☐ No  Do you use natural gas in the production of oil or gas or consume natural or manufacturing gas while transporting natural or manufactured gas services?


Yes  No

☐ Yes  ☐ No  Is the entity a surplus lines agent writing surplus lines property insurance?

☐ Yes  ☐ No  Does the entity write insurance policies or contracts covering property, subjects, or risks located, resident, or to be performed in Florida, excluding warranty premiums?

☐ Yes  ☐ No  Does the entity have receipts on annuity policies or contracts paid by holders in Florida?

☐ Yes  ☐ No  Is the entity licensed to write insurance policies?

☐ Yes  ☐ No  Is the entity a Risk Retention Group domiciled in Florida and registered with the Florida Office of Insurance Regulation?

☐ Yes  ☐ No  Is the entity a commercial, group pooling, or medical malpractice self insurer?

☐ Yes  ☐ No  Is the entity an assessable mutual insurer?

☐ Yes  ☐ No  Is the entity a fraternal benefit society?

☐ Yes  ☐ No  Is the entity a Joint Underwriting Association?

☐ Yes  ☐ No  Is the entity an industrial captive insurer?

☐ Yes  ☐ No  Is the entity a legal domicile of the State of Florida?

23f. Motor Fuel Tax (Chapter 206, F.S., Refer to Rule 12B-5.150, F.A.C., for appropriate form):

Yes  No

☐ Yes  ☐ No  Does the entity sell motor fuel, diesel fuel or aviation fuel in Florida at wholesale?

☐ Yes  ☐ No  Does the entity sell motor fuel, diesel fuel or aviation fuel in Florida at retail?

☐ Yes  ☐ No  Does the entity operate any delivery vehicles carrying fuel for sale or as delivery for others?

☐ Yes  ☐ No  Does the entity purchase or use any fuels for highway purposes on which Florida’s highway tax has not been paid to the supplier?

☐ Yes  ☐ No  Does the entity sell or import any motor oils or solvent fuels into Florida?

   If yes, list product types.  ________________________________________________
24. Attach a list of any outstanding liens, warrants, or Notices of Tax Action filed against the taxpayer for any tax type by the Florida Department of Revenue.

25. Attach a Power of Attorney (Form DR-835) for the qualified practitioner.

Applicant Signature: (The application cannot be processed unless signed by the taxpayer and the qualified practitioner.)
I declare that I have read the foregoing application and the facts stated in it are true.

Taxpayer Signature  Print Taxpayer Name and Title  Date

Qualified Practitioner Signature  Print Qualified Practitioner Name and Title  Date

Please mail the completed application to the following address:
Program Manager
Florida Department of Revenue
Certified Audit
PO Box 5139
Tallahassee, FL 32314-5139

If the request is approved, the Department will provide the following:
- A confirmation letter to the CPA firm
- A DR-15 download (SUT filing history) for use in planning work
- A 30-day window to submit Proposed Agreed Upon Procedures tailored to the client
- An electronic copy of the Standard Audit Program
- An electronic copy of the shell Proposed Agreed Upon Procedures

If you have any questions or need assistance in completing your application, please call the Certified Audit Program Office at (850) 617-8578.
# References

The following documents were mentioned in this form and is incorporated by reference in the rules indicated below. The forms are available online at floridarevenue.com/forms.

<table>
<thead>
<tr>
<th>Form DR-133</th>
<th>Gross Receipts Tax Return</th>
<th>Rule 12B-6.005, F.A.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form DR-26S</td>
<td>Application for Refund – Sales and Use Tax</td>
<td>Rule 12-26.008, F.A.C.</td>
</tr>
<tr>
<td>Form DR-700016</td>
<td>Communications Services Tax Return</td>
<td>Rule 12A-19.100, F.A.C.</td>
</tr>
<tr>
<td>Form DR-835</td>
<td>Power of Attorney</td>
<td>Rule 12-6.0015, F.A.C.</td>
</tr>
<tr>
<td>Form DR-908</td>
<td>Insurance Premium Taxes and Fees Return</td>
<td>Rule 12B-8.003, F.A.C.</td>
</tr>
<tr>
<td>Form F-1120</td>
<td>Florida Corporate Income/Franchise Tax Return</td>
<td>Rule 12C-1.051, F.A.C.</td>
</tr>
<tr>
<td>Form RT-6</td>
<td>Employer’s Quarterly Report</td>
<td>Rule 73B-10.037, F.A.C.</td>
</tr>
</tbody>
</table>
Certified Audit
Standard Audit Program

The audit guidelines described in the Certified Audit Standard Audit Program (CASAP) are part of the Information that, along with results of planning work performed and taxpayer profile information, will be the starting point for development of the Agreed Upon Procedures for the subject Certified Audit.

AP.010  Index
AP.100  Taxpayer Information
Pre-Audit Analysis
AP.200  Pre-Audit Analysis
AP.201  Audit Entrance Interview
AP.202  Understanding Operations and Accounting System
AP.203  Client’s Records
AP.204  Analysis of Client’s Sales and Use Tax Returns
AP.210  Assess Control Risk
AP.211  Determine Availability of Records
Analysis of Sales/Revenue Accounts
AP.220  Analysis of Revenue Accounts
AP.221  Analysis of Revenue Accounts for Rent, Lease, or License to Use Real Property
AP.222  Analysis of Revenue Accounts for Rent, Lease, or License to Use Tangible Personal Property
AP.223  Analysis of Revenue Accounts for the Sale of Assets
AP.224  Analysis of Revenue Accounts for Vending Machines
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Analysis of Expense Accounts
AP.241  Analysis of Expense Accounts for Purchases
AP.242  Analysis of Expense Accounts for Rent, Lease, or License to Use Real Property
AP.243  Analysis of Expense Accounts for Rent, Lease, or License to Use Tangible Personal Property
AP.244  Analysis of Expense Accounts for Fees
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Audit Completion
AP.300  Complete Proposed Agreed Upon Procedures
AP.301  Compliance Testing
AP.310  Performance of Agreed Upon Procedures
AP.500  Specific Industries
AP.510  Industry Specific Program
AP.600  Exit Interview
AP.700  Certified Audit Report
AP.701  Required Attachments from the FMT Program
AP.702  Completed, Signed and Dated, Agreed Upon Procedures
AP.703  Audit Result Information
AP.710  Audit Workpapers
AP.100 Taxpayer Information

Taxpayer social information to be used in the preparation of the Request to Participate (RTP).

Pre-Audit Analysis

AP.200 Pre-Audit Analysis

Objective: Gather information used to identify audit scope.

AP.200.1 Review internet for client website. ______________
AP.200.2 Review technical pronouncements referred to in Standard Industry Guide ______________
AP.200.3 Search Tax Law Library and inquire of Certified Audit Staff for any additional references which may be applicable. ______________

Comments:

AP.201 Audit Entrance Interview

AP.201.1 Provide Taxpayer Rights ____________
AP.201.2 Tour Facilities ____________

Comments:

AP.202 Understanding Operations

Objective: To gain an understanding of the operations, the following questions are relevant. If Yes, Provide relevant explanations in the comments section.

AP.202.1 Does the client sell tangible personal property, rent tangible personal property and/or real property? ______________
AP.202.2 Does the client perform any services? ______________
AP.202.3 Are there cash sales? ______________
AP.202.4 Are there credit sales? ______________
AP.202.5 Are sales made to out-of-state buyers? ______________
AP.202.6 Is there a source of other income? ______________
AP.202.7 Are all purchases paid for by check? ______________
AP.202.8 Are there merchandise, goods, or services that are paid for which are not invoiced? ______________
AP.202.9 Does the client fabricate tangible personal property for themselves or for others? ______________
AP.202.10 What is the allowable purchase amount for petty cash? ______________

Comments (Narrative of Operation):
AP.203 Client’s Records

AP.203.1 General
What software applications are used? __________
Electronic records? __________
Are records Adequate but Voluminous as defined in Rule 12-3.0012(3) and (4), F.A.C.? If so, describe sampling methods and techniques being proposed in the comment section below.

AP.203.2 Federal Tax Returns
Does your client file a consolidated return? __________
Did they claim bad debts on their returns? __________
Do they claim rental income or rental expense? __________
Are they parent or subsidiary to others? __________

AP.203.3 Sales and Use Tax Returns
Who is responsible for preparing the SUT returns? __________
Where/how is supporting documentation filed? __________
Is the client a member of a consolidated group? __________
Who is responsible for the filing of the returns: parent or sub-locations? __________
Does the client file a consolidated SUT return? __________

Comments:

AP.204 Analysis of the Client's Sales and Use Tax Returns

AP.204.1 Follow a sample of SUT returns through the accounting process. Walk through the entire accounting process from the source documents (e.g., invoices) through to the sales and use tax return. __________

AP.204.2 Is sales and use tax being recorded to a separate account?
Is use tax being accrued? __________
Is there a separate account for accrued use tax? __________

AP.204.3 How is the sales tax due transferred to the return?
From source documents? __________
From summary documents? __________
From sales reports? __________
From general ledger accounts? __________

AP.204.4 Does the client take line six credits for:
Bad debt? __________
Returned merchandise? __________
Repossessions? __________

AP.204.5 Does the client's business require reporting at an effective tax collection rate? Flat rate? __________

AP.204.6 Does sales tax due versus sales tax collected equal each other? __________
AP.204.7 Does the client’s business consist of any items not required to be reported; e.g., gasoline sales?

AP.204.8 Does the client report on the accrual or cash basis?

Comments:

**AP.210 Assess Control Risk**

AP.210.1a Has there been any turnover of personnel in key positions?

AP.210.1b Are new employees provided correct sales tax-related training?

AP.210.1c Are records kept in a secure area?

Comments:

**Sales Related Controls**

AP.210.1d Are sales documents (e.g., invoice, sales slip, cash registered tape, etc.) readily available?

AP.210.1e Are source documents numbered sequentially or otherwise?

AP.210.1f How are sales recorded?
   - To a sales journal
   - On cash register tapes
   - Daily sales reports
   - Invoices
   - Other

AP.210.1g Is sales tax recorded in a "sales tax accrual" or "sales tax payable" account?

AP.210.1h Does the client have exempt sales?
   - How are exempt sales identified, documented, and recorded?
   - Are employees properly trained to identify and document these types of sales?
   - Can exempt sales be extracted from the computer system?

AP.210.1i How are the payments that are received recorded?
   - Is there cash received that is not recorded?

Comments:
**Purchase Related Controls**

AP.210.1j  Are the purchase documents readily available; e.g., invoice, bills of laden, receiving documents, purchase orders, purchase requisitions, payment vouchers, check register, etc.?

Are source documents numbered sequentially or otherwise? ______________

How are they filed? ______________

Are key areas clearly identified; e.g., the vendor, ship to address, mode of shipment, FOB point, etc.? ______________

AP.210.1k  How are purchases recorded?

To a purchase journal ______________

Check register ______________

Depreciation schedules ______________

Acquisition report ______________

Other ______________

AP.210.1l  Are there exempt purchases?

Are employees properly trained to identify and document these type purchases? ______________

Can exempt purchases be extracted from the computer system? ______________

AP.210.1m  Is use tax recorded in a "sales tax accrual" or "sales tax payable" account? ______________

AP.210.1n  Is the accrued tax marked on the purchase invoices as being accrued? ______________

AP.210.1o  Can controls be overridden – how, by whom? ______________

**Comments:**

**AP.210.2 Identifying Controls**

AP.210.2a  Sales source documents

How are they filed?

by month ______________

by week ______________

by number ______________

by customer ______________

other? ______________

**Comments:**

AP.210.2b  Exempt sales supporting documents

Does the client have the documentation to support exempt sales?

Exemption certificates ______________

Resale cards ______________

Exportation documents ______________

Other ______________
AP.210.2c  Which of the following documents are included in the client’s accounting system?

- Sales Journal
- Bank deposit records
- Cash reconciliation sheets
- Sales tax reconciliation
- Sales Tax schedules
- Bank deposits

Comments:

AP.210.3  Purchases Source Documents
AP.210.3a General expenses:
How are they filed?
by month
by week
by number
by vendor
other?

AP.210.3b  Are they coded for inventory or expense?

Comments:

AP.210.3d  Which of the following documents are included in the client’s accounting system?

- Purchases journal
- Bank statements and check register
- Cash reconciliation sheets
- Use tax reconciliation
- Use Tax schedules
- "Sales tax accrual" or "Sales tax payable" account

Comments:

AP.210.3e  Fixed Asset Acquisitions
Does the client have the supporting invoices?
How and where filed are they filed?
At what amount are they capitalized?

Comments:

AP.210.3f  Which of the following documents are included in the client’s accounting system?

- Fixed asset schedule – additions/deletion schedule
- Depreciation schedules
- Acquisition records
Capital and operating lease agreements

Comments:

AP.210.4 Rental agreements for Tangible Personal Property, Real Property, or Both
Determine if the lease is for TPP, RP or both?
If TPP, is it capital lease or operating?
Are there leasehold improvements?

Comments:

AP.210.5 Job cost records (for fabrication for own use)
How are they filed?
direct or indirect labor costs: calculations available
direct or indirect materials: costs

Comments:

AP.211 Determine Availability of Records

AP.211.1 Which of the following records are available?
Bank Statements
Subsidiary Ledgers
Financial Statements
Acquisition reports
Depreciation schedules
Accounts Receivable and Payable Journals
General ledger
Invoices
Vouchers
Purchase Orders
Check register
Sales reports
Shipping and receiving documents
Leases – real property and tangible personal property
List all other accounting records in comments section.

Comments:
## Analysis of Sales/Revenue Accounts

### AP.220 Analysis of Revenue Accounts

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP.220.1</td>
<td>Sales</td>
<td></td>
</tr>
<tr>
<td>AP.220.1a</td>
<td>Admissions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Determine if any of the reported sales result from charges of admissions.</td>
<td></td>
</tr>
<tr>
<td>AP.220.1b</td>
<td>Exempt Sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Are any of the sales untaxed?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Statutorily exempt?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For resale?</td>
<td></td>
</tr>
</tbody>
</table>

### AP.220.2 Tax Reported

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP.220.2a</td>
<td>Reported Tax Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the sales tax reported at a flat rate?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the sales tax reported at an effective rate?</td>
<td></td>
</tr>
</tbody>
</table>

### AP.220.2b Local Option Taxes

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Are sales subject to less than or greater than 6%?</td>
<td></td>
</tr>
</tbody>
</table>
**AP.221 Analysis of Revenue Accounts for Rent, Lease, or License to Use Real Property**

The $5,000.00 limit does not apply to commercial rents as it relates to Discretionary Sales Surtax. The sales tax on the rent, lease, or license of real property becomes due and payable as the tenant makes each rental payment to the landlord.

AP.221.1 Are any reported sales the result of the rental, leasing or licensing of real property? 

Determine if any of the following items are applicable:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP221.1a</td>
<td>Commercial buildings or realty?</td>
<td></td>
</tr>
<tr>
<td>AP221.1b</td>
<td>Booths?</td>
<td></td>
</tr>
<tr>
<td>AP221.1c</td>
<td>Concessions?</td>
<td></td>
</tr>
<tr>
<td>AP221.1d</td>
<td>Bill Boards?</td>
<td></td>
</tr>
<tr>
<td>AP221.1e</td>
<td>Lease or license for the placement of phone, amusement machines, vending machine, other?</td>
<td></td>
</tr>
<tr>
<td>AP221.1f</td>
<td>Submerged land?</td>
<td></td>
</tr>
<tr>
<td>AP221.1g</td>
<td>Docking, Parking, and Storage?</td>
<td></td>
</tr>
</tbody>
</table>

Comments:

AP.221.2 Do any of the reported sales result from sub-leasing? 

AP.221.3a Is tax being pyramided or inverse pyramided? 

AP.221.3b In addition to base rent, are there any of the following considerations:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP.221.3b1</td>
<td>Percentage of sales?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b2</td>
<td>Arms-length transactions between related entities?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b3</td>
<td>Leasehold improvements?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b4</td>
<td>Management fees?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b5</td>
<td>Insurance protecting the landlord?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b6</td>
<td>Ad Valorem taxes paid on owner’s behalf?</td>
<td></td>
</tr>
<tr>
<td>AP.221.3b7</td>
<td>Are there any other considerations required to be paid for the right to occupy; e.g., Common Area Maintenance, mark-ups for utilities, repairs, waste collection, security services, and other pass-throughs?</td>
<td></td>
</tr>
</tbody>
</table>

Comments:

**AP.222 Analysis of Revenue Accounts for Rent, Lease, or License to use Tangible Personal Property**

AP.222.1 Do any of the reported sales result from the following:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP.222.1a</td>
<td>Tangible personal property in general?</td>
<td></td>
</tr>
<tr>
<td>AP.222.1b</td>
<td>Vending machines or amusement machines?</td>
<td></td>
</tr>
<tr>
<td>AP.222.1c</td>
<td>Trucks weighing in excess of 10,000 lbs.?</td>
<td></td>
</tr>
<tr>
<td>AP.222.1d</td>
<td>Equipment as bare rental?</td>
<td></td>
</tr>
<tr>
<td>AP.222.1e</td>
<td>Equipment with operator?</td>
<td></td>
</tr>
</tbody>
</table>
AP.222.1f  Bill boards and signs?  

AP.222.2  In addition to base rent, are there any of the following additional considerations:
   AP.222.2a  Tangible Personal Property taxes paid on owner’s behalf?
   AP.222.2b  Any other considerations required to be paid for the right to use; e.g., insurance, repairs, etc.?

Comments:

**AP.223  Analysis of Revenue Accounts for the Sale of Assets**

AP.223.1  Do any of the sales result from the sale of assets?  
AP.223.2  Are the sales isolated or occasional?  
AP.223.3  Are the sales due to sale of motor vehicles?  
AP.223.4  Are the sales due to the sale of business?

Comments:

**AP.224  Analysis of Revenue Accounts for Vending Machines**

AP.224.1  Are any sales made through vending machines?  
AP.224.2  Terms of the Agreement
   Is the agreement for a license to use real property?
   Is the agreement for a license to use tangible personal property?
AP.224.3  Operators and Owners
   Is the lessee the operator of the machine?
   Is the lessor the operator of the machine?

Comments:

**AP.225  Analysis of Revenue Accounts for Fees**

AP.225.1  Do any of the sales result from any of the following fees?
   AP.225.1a  Admissions?
   AP.225.1b  Greens fees?
   AP.225.1c  Participation fees?
   AP.225.1d  Management fees?
   AP.225.1e  Late fees?
   AP.225.1f  Handling fees?
   AP.225.1g  Restocking fees?
   AP.225.1h  Delivery fees?
   AP.225.1i  Service fees?
AP.225.1j  Notary Fees
AP.225.1k  License fees?

Comments:

AP.226 Analysis of Revenue Accounts for Services

AP.226.1  Do any of the sales result from the following sales of taxable services:
AP.226.1a  Protective services?
AP.226.1b  Non-residential pest control services?
AP.226.1c  Non-residential cleaning services?

Comments:

AP.227 Analysis of Miscellaneous Revenue

AP.227.1  Are any of the sales generated from any of the following:
AP.227.1a  Commissions?
AP.227.1b  Barter Transactions?
AP.227.1c  Sales to Employees? Other miscellaneous income?

Comments:

Analysis of Expense Accounts

AP.241 Analysis of Expense Accounts for Purchases

AP.241.1  Do any of the exempt purchases result from any of the following:
AP.241.1a  Promotional items?
AP.241.1b  Giveaways?
AP.241.1c  Advertising? Direct Mail?
AP.241.1d  Packaging?
AP.241.1e  Administrative costs?
AP.241.1f  Office Supplies?
AP.241.1h  Management fees paid?
AP.241.1i  Shop Supplies?
AP.241.1j  Consumable or expendable items?
AP.241.1k  Items from inventory for own use and not resold?
AP.241.1l  In-house fabrication for own use – cost price?
AP.241.1m  In-house printing?
AP.241.1n  Imported items for use – no tax paid to the vendor?
AP.241.1o  Third party drop shipments?
AP.241.1p  Employee benefits?
AP.241.1q  Awards?
AP.241.1r  Uniforms?
AP.241.1s  Purchases of materials and supplies made by a contractor for use in real property improvement contracts?  
AP.241.1t  Purchases made from out of state unregistered vendors?  
AP.241.1u  Items taken out of "tax-free" inventory for own use?  
AP.241.1v  Shop fabrication for own use?  
AP.241.1w  Job-site fabrication for own use?  
AP.241.1x  Repairs and Maintenance?  
AP.241.1y  Vehicle upkeep?  
AP.241.1z  Real property repair or tangible personal property repair?  
AP.241.1aa  Service warranties?  
AP.241.1bb  Vehicles?  
AP.241.1cc  Equipment?  
AP.241.1dd  Components of real property?  
AP.241.1ee  Landscape (interior and exterior) and lawn maintenance?  

Comments:

AP.242  Analysis of Expense Accounts for Rent, Lease, or License to Use Real Property

AP.242.1  Are there any payments for the rent, lease or license of any of the following:  
AP.242.1a  Commercial buildings or realty?  
AP.242.1b  Booths?  
AP.242.1c  Concession stands?  
AP.242.1d  Bill boards or the land on which it is located?  
AP.242.1e  Lease or license for the placement of phone, amusement machines, vending machines, other?  
AP.242.1f  Submerged land?  
AP.242.1g  Docking, Parking, and Storage?  

Comments:

AP.242.2  In addition to base rent, are any of the following considerations given:  
AP.242.2a  Percentage of sales?  
AP.242.2b  Arms-length transactions between related entities?  
AP.242.2c  Leasehold improvements?  
AP.242.2d  Insurance protecting the landlord?  
AP.242.2e  Management fees?  
AP.242.2f  Allocated lease of unimproved real property and payments thereof at other than fair market value?  
AP.242.2g  Ad Valorem taxes paid on owner's behalf?  
AP.242.2h  Any other considerations required to be paid for the right to occupy; e.g., Common Area Maintenance, mark-ups for utilities, repairs, waste collection, security services, and other pass-throughs?  

Comments:
**AP.243 Analysis of Expense Accounts for Rent, Lease, or License to Use Tangible Personal Property**

AP.243.1 Are any of the purchases for the rent, lease or license of the following:

AP.243.1a Tangible personal property in general? ____________
AP.243.1b Vending machines or amusement machines? ____________
AP.243.1c Trucks weighing in excess of 10,000 lbs.? ____________
AP.243.1d Equipment as bare rental? ____________
AP.243.1e Equipment with operator? ____________
AP.243.1f Signs? ____________

Comments:

AP.243.2 In addition to base rent, are there any additional considerations, such as:

AP.243.2a Ad Valorem taxes paid on owner’s behalf? ____________
AP.243.2b Any other considerations required to be paid for the right to use; e.g., insurance, repairs, etc.? ____________

Comments:

**AP.244 Analysis of Expense Accounts for Fees**

AP.244.1 Are there any purchases for any of the following fees:

AP.244.1a Admissions? ____________
AP.244.1b Greens fees? ____________
AP.244.1c Participation fees? ____________
AP.244.1d Management fees? ____________
AP.244.1e Late fees? ____________
AP.244.1f Handling fees? ____________
AP.244.1g Restocking fees? ____________
AP.244.1h Delivery fees? ____________
AP.244.1i Service fees? ____________
AP.244.1j Notary fees? ____________
AP.244.1k License fees? ____________

Comments:

**AP.245 Analysis of Expense Account for Services**

AP.245.1 Are there any purchases for any of the following services:

AP.245.1a Protective services? ____________
AP.245.1b Non-residential pest control services? ____________
AP.245.1c Non-residential cleaning services? ____________
Audit Completion

AP.300 Complete Proposed Agreed Upon Procedures

Objective: All identified audit risks will be addressed by specific audit procedures in the proposed agreed upon procedures.

Comments: The proposed agreed upon procedures are developed from the planning steps, the taxpayer’s exposure issues and profile, any applicable standard industry guides, and any other procedures the specified user may request.

AP.300.1 Prepare the proposed agreed upon procedures documentation.

The documentation required with the audit plan includes:
1. A written reconciliation of the Florida sales reported on the taxpayer’s federal income tax returns to Florida sales reported on the taxpayer’s Florida sales and use tax returns;
2. Identification and documentation of all revenue sources;
3. A comprehensive written narrative of the taxpayer’s operations;
4. A current chart of accounts and the year-to-date general ledger activity for the last year in the audit period;
5. Copies of the Federal income tax returns for the audit period;
6. Performance of and reporting on steps AP.001 through AP .300 of the Standard Audit Program.
8. Identification and disclosure of any known tax issues where the tax returns subject to the certified audit reflect an interpretation of applicable Florida Statutes and rules that is different from an interpretation presented in a previously published:
   a. Technical Assistance Advisement;
   b. Attorney General Opinion;
   c. Declaratory Statement;
   d. Tax Information Publication;
   e. Training Update Bulletin;
   f. Internal Technical Advisement; or,
   g. General Tax Administration Bulletin.

AP.300.2 Submit the Audit Plan to the Certified Audit Section of the Florida Department of Revenue

AP.310 Performance of Agreed Upon Procedures

Objective: This procedure provides steps used for conducting the audit in the four broad categories which are reviewed in every sales and use tax audit: sales; purchases; commercial rental; and, return/filing issues. Any adjustments are detailed in workpapers produced in the FMT formats, are summarized in the explanation of items by general categories, and become the basis for review of the audit results with the client.

AP.310.1 Sales
   AP.310.1a Unreported sales. Prepare schedules of unreported sales. Apply the correct tax rate to calculate tax due.
   AP.310.1b Missing invoices. Prepare schedules of missing invoices. Apply the correct tax rate to calculate tax due.
   AP.310.1c Undocumented exempt sales. Prepare schedules of undocumented exempt sales. Apply the correct tax rate to calculate tax due.
AP.310.1d  Any other sales issues. Any other exceptions relating to sales scheduled.

Comments:

AP.310.2  Purchases
         AP.310.2a  Untaxed purchases. Prepare schedules of all untaxed purchases, or purchase for which the taxpayer is unable to document that tax was paid, by month. Apply the correct tax rate to calculate tax due.
         AP.310.2b  Untaxed Fixed Assets. Prepare schedules of all incorrectly untaxed fixed assets. Apply the correct tax rate to calculate tax due.
         AP.310.2c  Missing invoices. Prepare schedules of missing invoices. Apply the correct tax rate to calculate tax due.
         AP.310.2d  Any other purchases issues. Any other exceptions relating to purchases scheduled.

Comments:

AP.310.3  Commercial Rentals, includes rent, lease, or license to use real property.
         AP.310.3a  Untaxed rentals. Prepare schedules of all untaxed rentals. Apply the correct tax rate to calculate tax due.
         AP.310.3b  Untaxed components of rentals. Prepare schedules of all untaxed components of rentals, by component. Apply the correct tax rate to calculate tax due.

Comments:

AP.310.4  Tax Return
         AP.310.4a  Tax Collected vs. Tax Remitted. Verify that these two Amounts are equal. If not, verify and prepare a detailed schedule of discrepancies.

AP.600 Exit Interview

AP.600.1  Date of meeting
AP.600.2  Persons in attendance
AP.600.3  Explain Audit results
AP.600.3a  Schedules
AP.600.3b  Issues
AP.600.3c  Explanation of Items
AP.600.3d  Notice of Proposed assessment
AP.600.3e  Agree/Disagree
AP.600.3f  Payment
AP.600.3g  Appeals Process
AP.700 Certified Audit Report

Objective: The qualified practitioner will submit the certified audit report and required attachments to the Department for review and approval. The certified audit report must meet all the requirements established by Statements on Standards for Attestation Engagements #10 and amendments to Statements on Standards for Attestation Engagements #10.

Required attachments to the certified audit report include a schedule listing any adjustments made to the subject tax accounts. The schedule will reflect the detail for any adjustments made, including the following schedules from the WINFMT Program

AP.701 Required Attachments from the FMT Program

AP.701.1 Explanation of items.
AP.701.2 Additional tax due per exhibit
AP.701.3 Summary of Exhibits
AP.701.4 Tax, penalty, and interest
AP.701.5 Summary Total
AP.701.6 CD of WINFMT audit

AP.702 Completed, Signed and Dated, Agreed Upon Procedures

AP.703 Audit Result Information

AP.703.1 Total Payments made to date. ____________
AP.703.2 Is your client in agreement with the audit findings?
If no attach a detailed explanation of the issues in dispute. ____________
AP.703.3 Name of the Schedule from the WINFMT program and amount of any tax which was collected and not remitted. ____________

AP.710 Audit Workpapers

The audit workpapers should be sufficient to support the results of the individual agreed upon procedures and the results of the audit.