

Florida Department of Revenue
Tax Information Publication

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CHAMBERS OF COMMERCE NOT LIABLE FOR PRE-1995 SALES TAX

REFUNDS AUTHORIZED BY 1998 LEGISLATURE

Transactions Occurring Before December 31, 1994

Recognizing chambers of commerce as unique nonprofit organizations, the 1998 Florida Legislature excluded specific chamber of commerce transactions occurring **before December 31, 1994**, from the imposition of sales and use tax.

- A. Purchases made before December 31, 1994, **if used in the chamber's operations**, are not subject to tax. This includes most purchases made in the normal course of operations, such as office space rentals, electricity, and telephone service.

Any chamber of commerce that paid sales tax on qualifying purchases occurring before December 31, 1994, is entitled to a refund. **All claims for refunds must be filed no later than July 1, 1999.**

To obtain a refund, the chamber of commerce must complete and file the enclosed Application for Refund (Form DR-26). Documentation supporting the refund claim must be attached to the Application for Refund. The required documentation includes copies of invoices showing that the chamber of commerce paid sales tax on the purchases to the vendors.

Note: Refunds will be made only for taxes paid directly by a chamber of commerce, not for taxes paid by employees or other individuals on purchases for which they were

subsequently reimbursed by the chamber.

If any chamber of commerce has questions concerning eligibility for a refund or procedures for filing an application, please contact the Refunds and Distribution Process at (850) 488-8937.

- B. Tax is not due on revenues derived from chamber of commerce revenue-generating activities on which sales or use tax was not actually paid or collected by a chamber before December 31, 1994. Revenue-generating activities include member dues and fees, admission charges to chamber events, trade show participation charges, business seminars and events, and circulation of chamber printed materials.

Any chamber of commerce that paid sales tax, as a direct result of a Department of Revenue audit, for these activities occurring before December 31, 1994, is eligible for a refund. These refund claims are subject to a five-year statutory limitation on claiming refunds.

Note: Certain revenues, such as member dues or registration fees for business seminars or similar events, **are not subject** to sales tax, regardless of whether the revenue was received before, on, or after December 31, 1994.

Chamber of commerce revenues generated from the resale of items which are available to the public from sources other than the chamber, and which could be purchased without the assistance of the chamber, **are subject** to sales and use tax, regardless of whether the revenue was collected before, on, or after December 31, 1994.

Transactions Occurring On or After December 31, 1994

Any chamber of commerce doing business in Florida that is subject to Florida sales tax must register with the Department by submitting an Application to Collect Sales Tax in Florida (Form DR-1). In January of 1995, DOR issued technical guidance to clarify how sales and use tax laws applied to the typical activities of a chamber of commerce. A copy of this guidance is

enclosed.

The relief granted by the 1998 Legislature **does not apply** to transactions occurring on or after December 31, 1994. Chambers of commerce are liable for payment or collection of sales and use tax on all taxable purchases and revenues that occurred on or after that date.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call the Refunds and Distribution Process, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-8937.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, PO Box 7443, Tallahassee, FL 32314-7443.

Also, visit our Web site at <http://sun6.dms.state.fl.us/dor/> for forms and other information.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

Chapter 98-296, L.O.F.

TAA 95A-003