

TIP 98B11-01

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**LEGISLATIVE CHANGES AFFECTING DRYCLEANING FACILITIES AND
PERCHLOROETHYLENE BEGINNING JULY 1, 1998**

Tax on Gross Receipts of Drycleaning Facilities

Beginning July 1, 1998, the 2 percent gross receipts tax on drycleaning facilities is also imposed on the gross receipts of each dry drop-off facility located in this state. A dry drop-off facility is any commercial retail store that receives from customers clothing and other fabrics for drycleaning or laundering at an offsite drycleaning facility and that does not clean the clothing or fabrics at the store using drycleaning solvents.

Dry drop-off facilities imposing a charge for drycleaning or laundering of clothing or fabrics are required to register by filing an Application to Collect Tax in Florida (Form DR-1) and paying the \$30 registration fee to the Department of Revenue. Facilities that operate at more than one location are only required to have a single registration.

Establishments that are only engaged in providing laundering services on a wash, dry, and fold basis are not required to register for the gross receipts tax. "Laundering on a wash, dry, and fold basis" means the service provided by the owner or operator of a coin-operated laundry to its customers whereby an employee of the laundry washes, dries, and folds laundry for its customers.

Sales between facilities, when both are subject to the gross receipts tax, are excluded from the gross receipts tax, because these transactions are considered sales for resale.

The gross receipts tax is calculated on the total amount charged, without any deduction whatsoever. Taxable gross

receipts include any fees, taxes, or surcharges shown on the receipts received by customers for laundering and drycleaning clothing and other fabrics.

Also, all facilities that include the gross receipts tax in the total charge to a customer must indicate on a customer invoice the following language: "The imposition of the tax was requested by the Florida Dry Cleaners Coalition".

Tax on Perchloroethylene

The \$5 per gallon tax on perchloroethylene is not subject to sales and use tax. Sales tax should only be assessed on the sales price of the perchloroethylene.

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 Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

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:

Ch. 98-189, L.O.F.

ss. 376.70 and 376.75, F.S.