

**Florida Department of Revenue
Tax Information Publication**

**TIP 06A01-03
Date: May 1, 2006**

**Hurricane Preparedness Sales Tax Holiday
May 21 through June 1, 2006**

Florida law provides that no sales tax or discretionary sales surtax (also known as a local option sales tax) will be collected on the sale or purchase of certain items related to hurricane preparedness for the period beginning 12:01 a.m., Sunday, May 21, 2006, and ending at midnight, Thursday, June 1, 2006.

This special sales tax holiday **DOES NOT** apply to clothing, books, or school supplies.

The sales tax exemption applies to each eligible item, regardless of the number of items sold on the same invoice to a customer. **If the sales price of a qualifying item exceeds the allowable threshold amount (listed below) this tax exemption will not apply and the total purchase price is subject to tax.** The exemption **DOES NOT** apply to the leasing of a qualified item.

The following items are specifically identified as being eligible for this special sales tax holiday for hurricane preparedness:

Qualifying items selling for \$10 or less:

- * Blue ice or those items sold as artificial ice

Qualifying items selling for \$20 or less:

- * Any portable self-powered light source
- * Battery-powered flashlights
- * Battery-powered lanterns
- * Gas-powered lanterns (including propane, kerosene, lamp oil, or similar fuel)
- * Tiki type torches
- * Candles

Qualifying items selling for \$25 or less:

- * Any gas or diesel fuel container (including LP gas and kerosene containers)

Qualifying items selling for \$30 or less:

- * Batteries, including rechargeable (listed sizes only)

- * AAA-cell
- * AA-cell
- * C-cell
- * D-cell
- * 6-volt (excluding automobile and boat batteries)
- * 9-volt (excluding automobile and boat batteries)
- * Coolers (food-storage; non-electrical)
- * Ice chests (food-storage; non-electrical)

Qualifying items selling for \$40 or less:

- * Any cell phone charger

Qualifying items selling for \$50 or less:

- * Radios (self-powered or battery-powered)
- * Two-way radios (self-powered or battery-powered)
- * Weather band radios (self-powered or battery-powered)
- * Tarpaulins (tarps)
- * Visqueen, plastic sheeting, plastic drop cloths, and other flexible waterproof sheeting
- * Ground anchor systems
- * Tie-down kits (items that are advertised or normally sold as a tie-down or anchoring kit)
- * Bungee cords
- * Ratchet straps

Qualifying items selling for \$60 or less:

- * Any cell phone batteries

Qualifying items selling for \$75 or less:

- * Any carbon monoxide detectors
- * Any package consisting of two or more of the previously listed qualifying hurricane-preparedness items sold for \$75 or less will qualify for the exemption.
- * Any package consisting of one or more of the previously listed hurricane-preparedness items and at least one other item that is otherwise tax-exempt and the package is sold for \$75 or less will qualify for the exemption.

Qualifying items selling for \$200 or less:

- * Storm shutter devices (defined as materials and products specifically manufactured, rated, and marketed for the

purpose of preventing window damage from storms)

Qualifying items selling for \$1,000 or less:

* Portable generators that will be used to provide light, communications, or to preserve perishable food in the event of a power outage.

This exemption does not apply to sales of items within a theme park, entertainment complex, a public lodging establishment, or airports.

"Theme park or entertainment complex" means a complex comprised of at least 25 adjacent acres owned and controlled by the same business entity and which contains permanent exhibitions and a variety of recreational activities and has a minimum of one million visitors annually.

"Public lodging establishment" means any unit, group of units, dwelling, building, or group of buildings within a complex of buildings, which is rented to guests more than three times in a calendar year for periods of less than 30 days or one calendar month, whichever is less, or which is advertised or offered to the public as a place regularly rented to guests.

"Airport" means any area of land or water, or any man-made object or facility located thereon, which is used, or intended for use, for the landing and takeoff of aircraft, and any attached areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

Note: Battery-powered or gas-powered light sources and qualifying portable self-powered radios will qualify for the exemption even though they may have electrical cords.

**Applying the Hurricane Preparedness Sales
Tax Holiday**

Articles that are normally sold as a unit may qualify for the tax exemption provided the individual items are specifically listed as tax exempt and the price of the package is \$75 or less.

Example 1: A multi-battery package sells for \$35. The package contains an assortment of AAA, AA, C, and D cell batteries. The battery package can be rung up at the register as a package and still qualify for the tax exemption since the sales price of the package containing qualifying items is less than \$75.

Example 2: A ground tie-down kit with 4 tie-downs and related accessories sells for \$100. The kit cannot be rung up as 4 different packages in order for each to qualify for the exemption.

When tax-exempt hurricane-preparedness items are sold together with items that are normally tax-exempt as a single set, unit, product, or package, and the package sells for \$75 or less, the entire package qualifies for the exemption.

Example: A package sells for \$55 which contains a cooler and a 24-pack of bottled water. Since this package contains one item that qualifies for the hurricane preparedness tax exemption (a non-electrical cooler) and one item that is normally tax-exempt (bottled water) and the package sells for \$75 or less, this transaction will be tax exempt during the Hurricane Preparedness Sales Tax Holiday Period.

When a package contains tax-exempt hurricane-preparedness items and it also contains taxable items that do not qualify for the hurricane-preparedness sales tax holiday, the full sales price of the package is subject to sales tax.

Example 1: Four AA rechargeable batteries are sold in a package that includes a battery charger for \$25. Although the batteries would qualify for this exemption if sold separately, the battery charger would **NOT** qualify because it is not listed as a qualifying tax exempt item. The full selling price of \$25 is taxable.

Example 2: A flashlight is sold with a travel mug as a package. Although the flashlight would qualify for the exemption if sold separately, the travel mug would **NOT** qualify because it is not listed as a qualifying tax exempt item. The full selling price of the flashlight and mug package is taxable.

The total price of items advertised as "**buy one, get one free,**" or "buy one, get one for a reduced price," cannot be averaged together in order for both items to qualify for the exemption.

The sale of a **gift certificate/card** is not taxable. Eligible items purchased during the exemption period using a gift certificate/card will still qualify for the exemption, regardless of when the gift certificate/card was purchased. Eligible items purchased after the exemption period using a gift certificate/card are **taxable** even if the gift certificate/card was purchased during the exemption period. A gift certificate/card **CANNOT** be used to reduce the selling price of an item in order to qualify for the exemption.

When a customer purchases a qualifying item during the exemption period, then later **exchanges** the item for the same item, no tax will be due, even if the exchange is made after the exemption period.

When a customer uses a **store credit** during the exemption period on qualified tax-exempt items, the purchase will be exempt from sales tax. When a customer uses a store credit issued during the exemption period and the tax-exempt period has expired, the appropriate sales tax will apply to the full sales price of the newly purchased item.

A customer who pays sales tax to a retailer on a qualifying item when no tax is due must secure a refund of the tax from the retailer and not from the Department of Revenue.

When a customer returns a qualifying item during the period of June 2, 2006, through August 31, 2006, and wants a refund/credit for tax paid:

- * The customer must produce a receipt or invoice showing tax was paid on the original purchase of the qualifying item, or

- * The retailer must have sufficient documentation to show that tax was paid on the original purchase of the qualifying item.

Manufacturer's coupons do **not** reduce the sales price of an item. Therefore, a manufacturer's coupon cannot be used to reduce the selling price of a qualifying item in order for the item to qualify for the exemption.

Store coupons and discounts **do** reduce the sales price of an item. Therefore, a store coupon or discount can be used to reduce the sales price of a qualifying item to the "allowable threshold amount" in order for the item to qualify for the tax exemption.

Rebates occur after the sale and do not affect the sales price of an item purchased.

Eligible items purchased during the exemption period using a **rain check** will qualify for the exemption regardless of when the rain check was issued. However, issuance of a rain check during the exemption period will not qualify an eligible item for the exemption if the item is actually purchased after the exemption period.

A **layaway** sale is a transaction in which merchandise is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and receives the merchandise at the end of the payment period. For purposes of this exemption, qualified items will be eligible for the exemption if a retailer and a customer enter into a contract for a layaway sale during the exemption period, the customer makes the usual deposit in accordance with the retailer's layaway policy, and the merchandise is segregated from the retailer's inventory. If the final payment on a layaway order is made and the merchandise is given to the customer during the exemption period, that sale of qualified items **will be** eligible for the exemption, even when the qualified items were placed on layaway before the exemption period.

Rental of any of the items specified in this publication does not qualify for an exemption.

For purposes of this exemption, eligible items purchased by **mail order** (including transactions made over the Internet) will receive the exemption if the order is accepted by the mail-order company during the exemption period for immediate shipment. When the acceptance of the order by the mail-order company occurs during the exemption period, the exemption will apply even if delivery is made after the exemption period.

* An order is **accepted** by the mail-order company when the mail-order company has taken an action to fill the order for immediate shipment. Actions to fill an order include placing an "in-date" stamp on a mail-order or assigning an "order number" to a telephone order.

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

Shipping and handling charges are included as part of the sales price of the eligible item, whether or not separately stated. If multiple items are shipped on a single invoice, to determine if any items qualify for the exemption, the shipping and handling charge must be proportionately allocated to each item ordered and identified separately on the invoice.

Repairs to qualifying items do not qualify for the exemption.

For Bay County Dealers Only

Panama City and Panama City Beach impose upon retailers a merchant's license fee or similar gross receipts tax or fee, which may be passed on to the customer. The merchant's license fee is included in the sales price of each item whether or not the fee is separately stated on the invoice.

Example: An ice chest (non-electrical type) sells for \$29.95. The separately stated 1% gross receipts fee for this item is \$0.30. Since the gross receipts fee is part of the sales price of the item (\$30.25), the cost of the ice chest exceeds the allowable threshold amount and, therefore, **will not** qualify for the tax exemption.