



Florida Department of Revenue
Tax Information Publication

TIP

No: 07A01-09

Date:
June 29, 2007

**CERTAIN DELIVERY CHARGES ARE NOT SUBJECT TO
FLORIDA SALES AND USE TAX**

Certain charges for the **delivery, inspection, or placement or removal from packaging or shipping materials of furniture or appliances** by the selling dealer at the premises of the purchaser or removal of similar items from the premises of the purchaser are exempt from sales tax and local discretionary sales surtax (county sales tax). In order for the charges to be exempt, they must be separately stated and the charges can be avoided at the option of the purchaser.

“Option of the purchaser” means that the purchaser has the option to pick up the appliance or furniture from the dealer, have someone pick it up on his or her behalf, or instruct the selling dealer to make the delivery of the appliance or furniture.

If any charge for the delivery, inspection, placement, or removal of furniture or appliances **includes modification, assembly, or construction** of such furniture or appliances, then all of the charges are taxable.

The sales price of appliances and furniture is still subject to sales tax and surtax even when the separate charges for the delivery, inspection, placement, or removal of packaging or shipping materials or removal of the old appliance or furniture qualifies for this new exemption.

Example: Business A sells a new refrigerator to Customer B for \$1,500. Customer B can elect to pick up the refrigerator or have Business A deliver it for an extra \$100. The \$100 delivery charge will be added as a separate line item on the invoice if Customer B decides to have Business A deliver the refrigerator. Since Business A does not require delivery of the refrigerator, but instead gives Customer B the option of picking up the refrigerator and the \$100 delivery charge is separately stated, the \$100 delivery charge is not subject to sales tax or surtax. The \$1,500 paid by Customer B for the refrigerator to Business A is subject to sales tax and any applicable surtax.

Example: Using the same information given above, Business A will also agree to remove the packaging material that comes with the new refrigerator for an additional \$20 and will also remove Customer B’s old refrigerator for an additional \$50, both of which will be added as separate line items should Customer B elect to include these services. The \$20 charge for removing the packaging material and the \$50 charge for removing the old refrigerator are both exempt from sales tax and any applicable surtax.

Example: Business X sells Customer Y a new unassembled dining room set for \$5,000. Customer Y elects to have Business X deliver and assemble the new dining room furniture for an additional \$500. Since Business X will be assembling the furniture, in addition to delivery, the entire \$500 charge is

subject to sales tax and surtax. The total amount paid by Customer Y to Business X (\$5,500) is subject to sales tax and any applicable surtax.

Example: Using the same information above, Business X sells Customer Y a new unassembled dining room set for \$5,000. Customer Y can elect to pick up the new dining room set or have Business X deliver it for an extra \$200. Customer Y elects to have Business X deliver and assemble the new dining room furniture. Business X makes separate charges for the delivery, in the amount of \$200, and assembly, in the amount of \$300. Since Business X does not require delivery of the new dining room set but instead gives Customer Y the option of picking up the dining room set, and the \$200 delivery charge is separately stated, the \$200 delivery charge is not subject to sales tax or surtax. However, the additional \$300 charge for assembly is subject to tax. The total taxable amount for this example is \$5,300.

Note: This exemption is limited to the **delivery, inspection, or placement or removal from packaging or shipping materials of furniture or appliances.**

This Taxpayer Information Publication is for illustrative purposes only. Please refer to the references below for the complete text of the law.

References: Section 23, Chapter 2007-106, L.O.F. (CS/SB 2482, 3rd Engrossed)

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 forms and other information, visit our Internet site at www.myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.