



Tax Information Publication

TIP

No: 15A19-01

Date Issued:
June 24, 2015

Communications Services Tax Rate Changes

Effective July 1, 2015, the state tax rate on sales of communications services is reduced. The new rate is effective for all bills issued on or after July 1, 2015, regardless of the date that the service is rendered or transacted. Dealers who are unable to implement the rate reduction by July 1, 2015 should refer to the implementation period information below.

Sales of Communications Services, except Direct-to-Home Satellite Services

The state tax rate on sales of communications services is reduced from 6.65 percent to 4.92 percent. The additional gross receipts tax rate of 0.15 percent, which is reported with the state portion, remains unchanged. Therefore, the new combined state tax rate is 5.07 percent. The 2.37 percent gross receipts tax, which is reported separately, also remains unchanged.

Sales of Direct-to-Home Satellite Services

The state tax rate on sales of direct-to-home satellite services is reduced from 10.8 percent to 9.07 percent. The 2.37 percent gross receipts tax remains unchanged. The new **total** Florida communications services tax rate for sales of direct-to-home satellite services is 11.44 percent.

Customer Billing and Implementation Period

The reduced tax rates apply to taxable communications services transactions included on bills dated on or after July 1, 2015. Items on the bill that are only subject to sales or other taxes are not affected by this change.

Dealers unable to implement the rate reduction by July 1, 2015, must:

- Remit all taxes collected at the previous rates during the implementation period;
- Begin collecting tax at the reduced rates by October 1, 2015; and
- Credit each customer the amount of taxes collected in excess of the tax due by March 1, 2016. If a dealer cannot provide a credit to a customer due to a customer's termination of service, this will not create a cause of action against the dealer.

Once a dealer has remitted a tax amount collected to the Department and issued a credit to a customer, the dealer may take a credit on its communications services tax return for the amount credited to the customer. Credits must be reported on either Schedule III (Direct-to-Home Satellite Services Adjustments) or Schedule IV (Adjustments) of the communications services tax return, Form DR-700016.

Filing Form DR-700016

Effective July 1, 2015, Schedule I, Column B of the Florida Communications Services Tax Return (Form DR-700016) will reflect a total state rate of 5.07 percent, which includes both the state portion of 4.92 percent and the additional gross receipts tax of 0.15 percent as indicated on the tax return. Dealers who collected tax at the higher state rate during the period of July 1, 2015 through September 30, 2015, must report and remit all tax collected despite the lower rate printed on the return or listed in the electronic filing application available on our website.

Taxable sales subject to local and gross receipts tax reported on Schedule I, Column C will remain taxed at 2.37% for the gross receipts tax.

Applicable local tax rates in Schedule I, Column D still apply.

Effective July 1, 2015, Column B of Schedule II (Direct-to-Home Satellite Services) will reflect the new rate of 11.44 percent. Dealers who have collected tax at the higher rate must report and remit all tax collected despite the lower rate printed on the return or listed in the electronic filing application available on our website.

Electronic Filing

If you are filing electronically, you should continue to do so. If you are **not** filing electronically, you can easily file and/or pay your communications services tax online. Use our Internet application or create and upload your own file according to our specifications. Electronic filing is fast, easy, and secure. For more information, visit our website at www.myflorida.com/dor.

References: Sections 2, 3, 8, 9, and 17, Chapter 2015-221, Laws of Florida; Chapter 202, Florida Statutes

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 website 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.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

Want the latest tax information?

- ✓ Subscribe to our tax publications or sign up for due date reminders at www.myflorida.com/dor/list
- ✓ Follow us on Twitter @MyFLDOR_TaxInfo