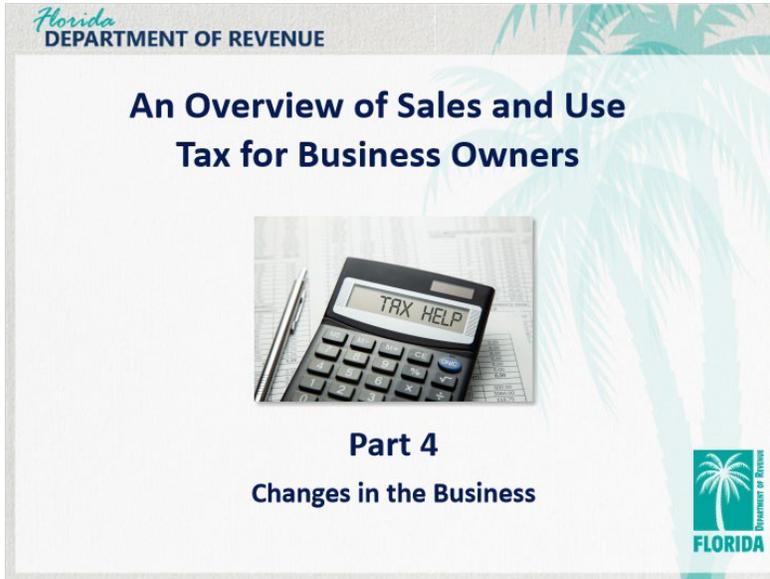


Print PDF: *An Overview of Sales and Use Tax for Business Owners* ***Part 4: Changes in the Business***

1. Introduction

1.1 Welcome



Script:

Welcome to *An Overview of Sales and Use Tax for Business Owners: Changes in the Business*

In this tutorial, we discuss changes in your business, changes to your legal status as a business, and changing locations.

1.2 Navigation

Transcript Tab

A transcript of the audio is available by clicking on the **Transcript** tab in the top-left corner of your screen.

The following tabs and buttons are available to help you navigate through this tutorial.

Menu Tab

The Menu tab displays by default when the tutorial is viewed on a computer. It allows you to navigate through the tutorial by clicking the topic name on the menu. When viewing this tutorial on a tablet or smartphone, the menu does not display by default and must be accessed using the menu symbol.

Resources Tab

The Resources tab is found to the right side of the top bar. When clicked, it displays a list of links to useful forms, documents, and webpages.

Previous and Next Buttons

The Previous and Next buttons are located at the bottom right corner of your screen. These buttons allow you to move either back or forward.

Script:

This tutorial will take approximately 15 minutes to complete. A transcript of the audio is available by clicking on the Transcript tab in the top-left corner of your screen. The following tabs and buttons are available to help you navigate through this tutorial.

Menu Tab

The Menu tab displays by default when the tutorial is viewed on a computer. It allows you to navigate through the tutorial by clicking the topic name on the menu. When viewing this tutorial on a tablet or smartphone, the menu does not display by default and must be accessed using the menu symbol.

Resources Tab

The Resources tab is found to the right side of the top bar. When clicked, it displays a list of links to useful forms, documents, and webpages.

Previous and Next Buttons

The Previous and Next buttons are located at the bottom-right corner of your screen. These buttons allow you to move either back or forward.

1.3 Topics



The slide features the Florida Department of Revenue logo at the top left. The word "Topics" is centered in a large font. Below it, four teal-colored boxes with white checkmarks list the topics: "Change in Legal Entity or Ownership", "Change in Location", "Adding New Locations", and "Making More Sales". An inset image shows hands using a laptop and calculator. The Florida Department of Revenue logo is also in the bottom right corner.

Florida
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Topics

- ✓ Change in Legal Entity or Ownership
- ✓ Change in Location
- ✓ Adding New Locations
- ✓ Making More Sales

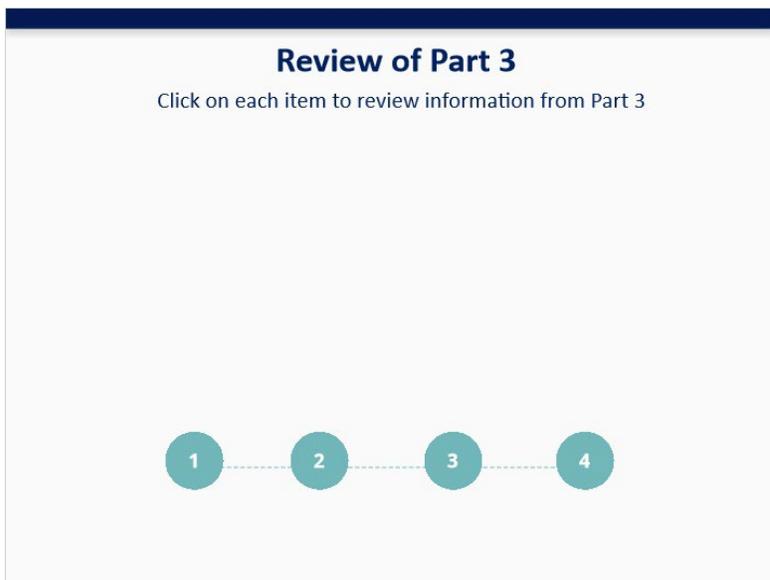
FLORIDA
Department of Revenue

Script:

Topics for this tutorial include:

- Change in Legal Entity or Ownership
- Change in Location
- Adding New Locations
- Making More Sales

1.4 Review of Part 3



The slide has a dark blue header with the text "Review of Part 3". Below the header, it says "Click on each item to review information from Part 3". At the bottom, there are four teal circles containing the numbers 1, 2, 3, and 4, connected by a dashed line.

Review of Part 3

Click on each item to review information from Part 3

1 2 3 4

Script:

Click on each item to review information from Part 3.

Item 01 (Slide Layer)

Review of Part 3

Click on each item to review information from Part 3

1 Responsibilities

- ✓ Business owners are responsible for filing and remitting sales tax and discretionary sales surtax.

1 2 3 4

Responsibilities

- Business owners are responsible for filing and remitting sales tax and discretionary sales surtax.

Item 02 (Slide Layer)

Review of Part 3

Click on each item to review information from Part 3

2 Due Dates

- ✓ Paper returns are due on the 1st, and late after the 20th.
- ✓ Electronic returns with payment are due on the 1st, and late after the business day before the 20th at 5:00 p.m. ET.

1 2 3 4

Due Dates

- Paper returns are due on the 1st, and late after the 20th.
- Electronic returns with payment are due on the 1st, and late after the business day before the 20th at 5:00 p.m. ET.

Item 03 (Slide Layer)

The slide is titled "Review of Part 3" and includes the instruction "Click on each item to review information from Part 3". It features a dark blue rounded rectangle containing the text "3 Filing Frequency" and two bullet points. Below this rectangle is a horizontal navigation bar with four teal circles numbered 1, 2, 3, and 4, connected by a dashed line. The third circle is highlighted, indicating the current slide.

Review of Part 3

Click on each item to review information from Part 3

3 Filing Frequency

- ✓ Your filing frequency is based on the amount of sales and use tax collected and remitted.
- ✓ The Department reviews each sales and use tax account annually to determine the correct filing frequency for the next calendar year.

1 2 3 4

Filing Frequency

- Your filing frequency is based on the amount of sales and use tax collected and remitted.
- The Department reviews each sales and use tax account annually to determine the correct filing frequency for the next calendar year.

Item 04 (Slide Layer)

Review of Part 3

Click on each item to review information from Part 3

4 Late Penalty

- ✓ If your return and payment are late, a 10% penalty on the amount of tax owed will be assessed with the minimum penalty being \$50.
- ✓ Interest also applies, and the interest rate information can be found on the Department's website.

1 — 2 — 3 — 4

Late Penalty

- If your return and payment are late, a 10% penalty on the amount of tax owed will be assessed with the minimum penalty being \$50.
- Interest also applies, and the interest rate information can be found on the Department's website.

2. Changes in Your Business

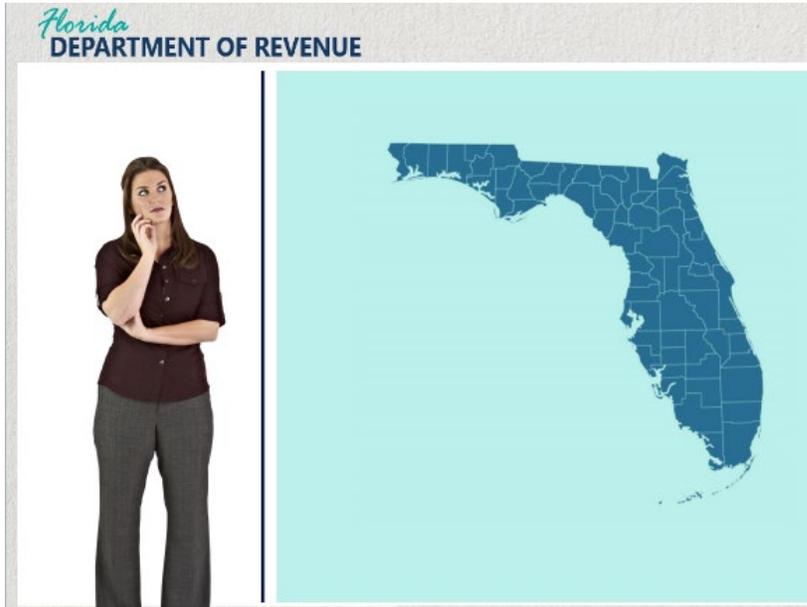
2.1 Changes in Your Business



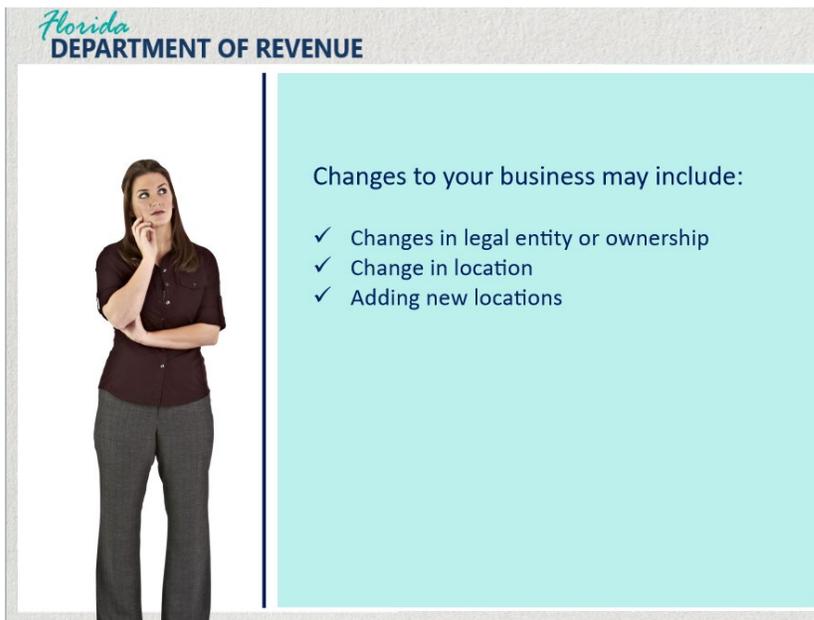
Script:

Let's check back with Meredith to see how she's doing.

Meredith, what is your vision for your business? Do you plan on keeping it small, or do you want to open more locations?



[Meredith]: I would eventually like to open more locations and create a statewide chain of old-fashioned pharmacies. Then, who knows? The sky is the limit!



That sounds like a great plan! As your business grows, it will continue to experience changes. Some of these changes may include, but are not limited to:

- Changes in legal entity or ownership
- Change in location, and
- Adding new locations

Let's discuss these changes, along with the requirements for handling them.

2.2 Changes in Legal Entity or Ownership



The graphic features the Florida Department of Revenue logo at the top left. Below it, a hand-drawn diagram shows four business ownership types: Sole proprietorship, Partnership, Corporation, and Cooperative, arranged in a circle with arrows indicating transitions between them. The central text reads 'BUSINESS OWNERSHIP'. To the right of the diagram is a photograph of a woman in a dark shirt and grey pants pointing towards the diagram. Below the diagram is a light blue box with the title 'Changes in Legal Structure or Ownership' and two bullet points: '✓ Change in legal entity' and '✓ Change in ownership'.

Script:

At some point, you may want to change the legal structure of your business. For example, you may decide to take on a business partner and change your business from a sole proprietorship to a partnership. This change would require you to complete a new *Florida Business Tax Application* (Form DR-1). If your business changes owners, you must also complete a new DR-1.

2.3 Knowledge Check #1

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Knowledge Check #1

A change in legal entity or ownership requires what action from the business owner?

- Complete a new *Florida Sales and Tax Return* (Form DR-15)
- Notify the Department in writing or by email
- Complete a new *Florida Business Tax Application* (Form DR-1)
- No action is necessary



Correct	Choice
	Complete a new Florida Sales and Tax Return (Form DR-15)
	Notify the Department in writing or by email
X	Complete a new Florida Business Tax Application (Form DR-1)
	No action is necessary

2.4 Change in Location

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Changes in Mailing Address

For changes in mailing address or for a move in the same county:

- ✓ floridarevenue.com/taxes/updateaccount
- ✓ Mail a letter to:
Account Management – MS 1-5730
Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0160

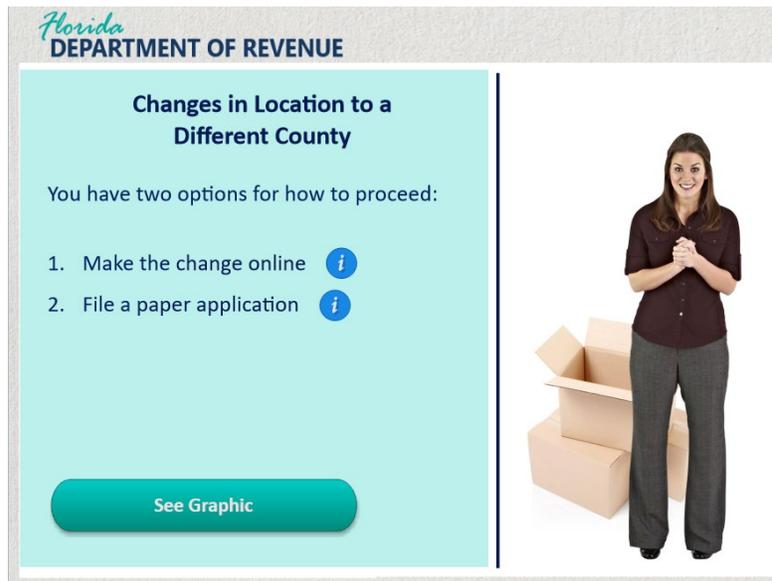


Script:

[Meredith]: What happens if my store outgrows its current location and I have to move to a new location?

It depends on whether that move is within the same county, or to another county.

Some changes, such as a change in address within the same county simply require you to notify the Department. You can do so by going online and visiting **floridarevenue.com/taxes/updateaccount**. You may also notify the Department in writing by mailing a letter to the address on your screen.



If the move is to another county, you have two choices of how you may proceed.

The first option is to make the change online by signing in to the *Florida Business Tax Application* (Form DR-1). On question 3, you will be asked for your reason for applying. If you select “Moved registered Florida location to another Florida county,” you will automatically be directed to complete the *Application for Registered Businesses to Add a New Florida Location* (Form DR-1A).

The second option is to file a paper *Application for Registered Businesses to Add a New Florida Location* (Form DR-1A).

Look at the graphic by clicking on the See Graphic button to decide what you will need to do based on what changes will be made to your location.

Also, Meredith, if you move to a new county, you will need to check on the discretionary sales surtax rate for that county. It may be different from your current county.

Click on each green box to see an explanation of what steps to take next.

Graphic (Slide Layer)

Click on each green box to see an explanation of what steps to take next. X

MAILING ADDRESS	MOVING LOCATIONS	MOVING LOCATIONS
Changing mailing address in the <i>same</i> county	Moving location to <i>same</i> county	Moving location to a <i>different</i> county
Update online or by mail.	Update online or by mail.	Complete a new <i>Florida Business Tax Application (DR-1)</i> - or - Complete an <i>Application for Registered Businesses to Add a New Florida Location (DR-1A)</i>

2.5 Adding New Locations

Florida
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Adding New Locations

- ✓ Implications for discretionary sales surtax
- ✓ [Tutorial: Guide to Completing the Paper Application for Registered Businesses to Add a New Location Form DR-1A](#)
- ✓ Register additional business locations or rental properties in Florida
- ✓ Reregister a business location that has moved to another county



Script:

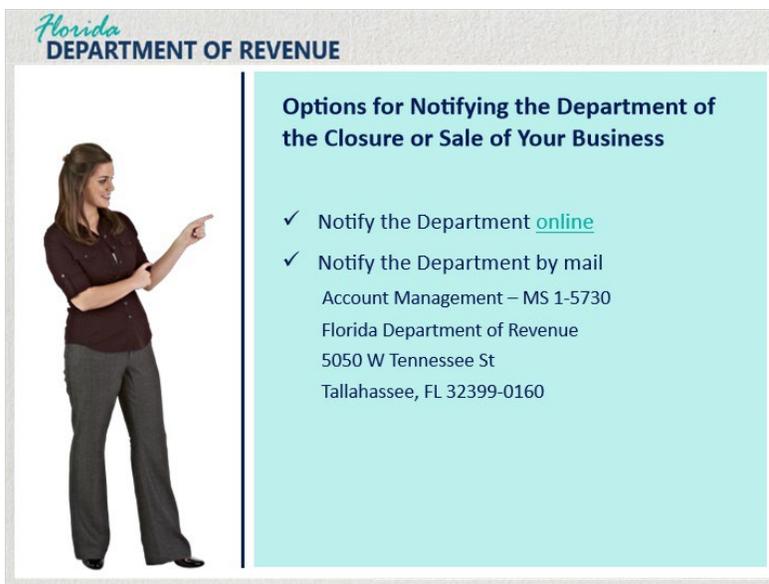
Meredith, you said you were interested in expanding your business by opening additional locations, right? If these locations will be in other counties, there will be implications for collecting discretionary sales surtax. You will need to find out the rates for the counties of each of your new locations.

If you've previously submitted a *Florida Business Tax Application* (Form DR-1) and have an active *Certificate of Registration* or reemployment tax account issued by the Department, you can use an online or paper *Application for Registered Businesses to Add a New Florida Location* (Form DR-1A) to:

- Register additional business locations or rental properties in Florida
- Reregister a business location that has moved to another county

Click on the link to the Department's tutorial on how to complete the paper version of this application found in the second bulleted item.

2.6 Closing or Selling Your Business



The graphic features the Florida Department of Revenue logo at the top left. On the left side, a woman in a dark shirt and grey pants is pointing towards a light blue box on the right. The box contains the following text:

Options for Notifying the Department of the Closure or Sale of Your Business

- ✓ Notify the Department [online](#)
- ✓ Notify the Department by mail
Account Management – MS 1-5730
Florida Department of Revenue
5050 W Tennessee St
Tallahassee, FL 32399-0160

Script:

If for some reason, you were to sell or close your business, you would need to contact the Department. You can do so online or by mail.

Keep in mind that if you close your business, you are still going to owe a final return. You are required to file and pay your final return.

2.7 Filing for Multiple Locations

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Filing for Multiple Locations

Click on the buttons to learn about each method.

Locations in Multiple Counties
Application for Consolidated Sales and Use Tax Filing Number (Form DR-1CON)

Multiple Locations in a Single County
Application for Sales and Use Tax County Control Reporting Number (Form DR-1CCN)

Script:

[Meredith]: I know I won't need to worry about this for a while, but how would I manage filing and paying returns with multiple locations?

If you have multiple locations, it may be easier to file all of your returns under one certificate number, instead of filing multiple returns for multiple locations.

There are two methods for doing so depending on the circumstances.

Click on the buttons to learn about each method.

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Locations in Multiple Counties

- ✓ Complete *Application for Consolidated Sales and Use Tax Filing Number* ([Form DR-1CON](#))
- ✓ Complete the return ([Form DR-7*](#)) for each location
- ✓ Complete the *Consolidated Summary Sales and Use Tax Return* ([Form DR-15CON](#))
- ✓ Consolidated returns are required to file and pay electronically
- ✓ Locations linked to a consolidated account number
- ✓ All locations must be owned by same entity with same Federal Employer Identification Number (FEIN)

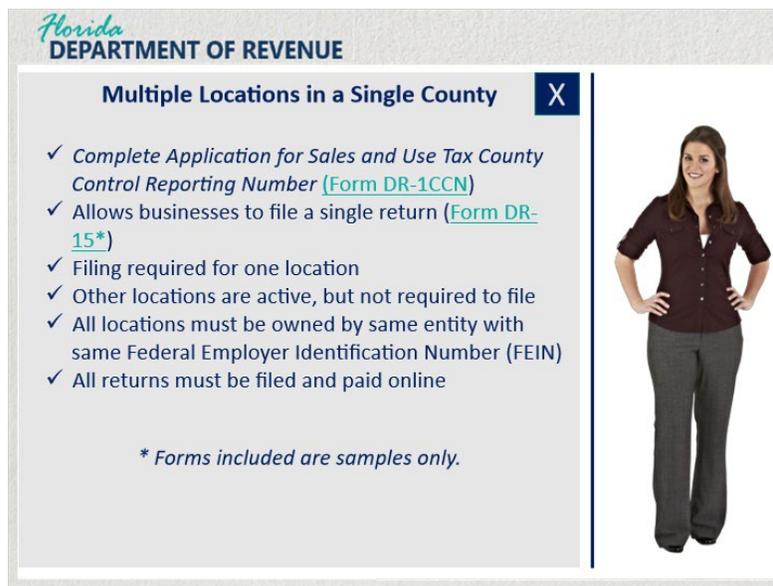
** Forms included are samples only.*

If a business owner has locations in multiple counties, they can elect to file a consolidated return by completing the *Application for Consolidated Sales and Use Tax Filing Number* (Form DR-1CON).

Once they have completed the Form DR-1CON, they will be required to complete a tax return for each location (Form DR-7), as well as the *Consolidated Summary Sales and Use Tax Return* (Form DR-15CON) which summarizes the returns for each DR-7 submitted. Consolidated returns are required to file and pay electronically. When filing electronically, the totals for each DR-7 will be pre-populated in the DR-15CON summary tax return.

All locations are linked to a consolidated account number.

All locations must be owned by the same entity with the same Federal Employer Identification Number (FEIN).



Florida DEPARTMENT OF REVENUE

Multiple Locations in a Single County X

- ✓ Complete *Application for Sales and Use Tax County Control Reporting Number* (Form DR-1CCN)
- ✓ Allows businesses to file a single return (Form DR-15*)
- ✓ Filing required for one location
- ✓ Other locations are active, but not required to file
- ✓ All locations must be owned by same entity with same Federal Employer Identification Number (FEIN)
- ✓ All returns must be filed and paid online

** Forms included are samples only.*

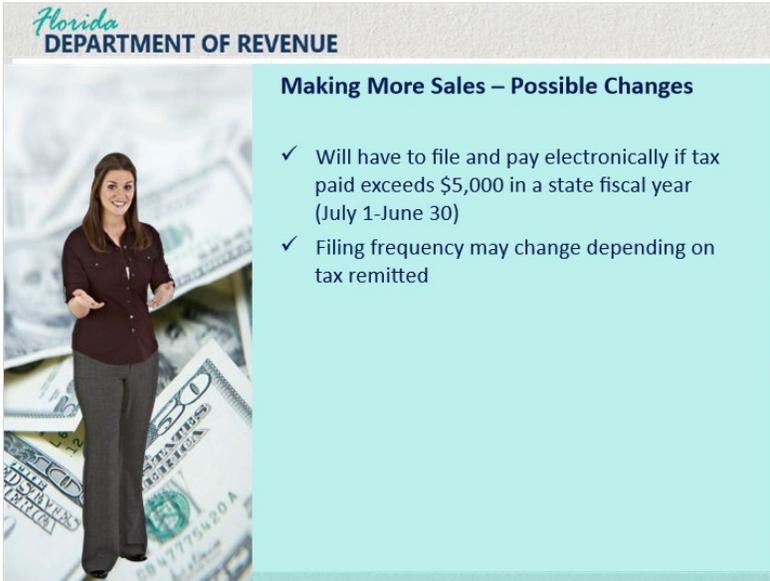


If a business owner has multiple locations in a single county, they can elect to file a *County Control Return* by completing the *Application for Sales and Use Tax County Control Reporting Number* (Form DR-1CCN). This will allow them to file a single return, using a *Sales and Use Tax Return* (Form DR-15) with the total taxable sales and tax due for all locations within that county.

All other locations in that same county are made active but are not required to file separately.

All business locations must be owned by the same entity with the same Federal Employer Identification Number (FEIN). You must also file and pay your returns electronically.

2.8 Making More Sales

A graphic from the Florida Department of Revenue. On the left, a woman in a dark shirt and pants stands in front of a background of US dollar bills. On the right, a light blue box contains the title "Making More Sales – Possible Changes" and two bullet points. The Florida Department of Revenue logo is at the top left of the graphic.

Florida
DEPARTMENT OF REVENUE

Making More Sales – Possible Changes

- ✓ Will have to file and pay electronically if tax paid exceeds \$5,000 in a state fiscal year (July 1-June 30)
- ✓ Filing frequency may change depending on tax remitted

Script:

[Meredith]: While I do want my business to be successful, I'm sure it comes with more responsibilities. What are some things I need to be aware of?

I'm sure your business will be successful, Meredith.

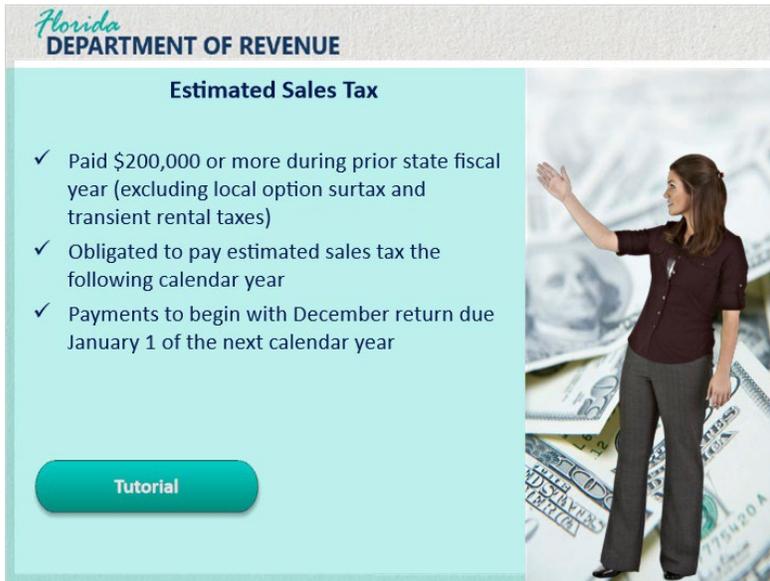
That being said, with newfound success comes new tax implications for your business.

[Meredith]: Like what?

For example, effective January 1, 2023, taxpayers must file and pay electronically if the amount of tax paid during the prior state fiscal year (July 1-June 30) exceeds \$5,000.

Your filing frequency may also change when you start making more taxable sales. Most business accounts are set up with a quarterly filing frequency. During the annual review of tax accounts, those accounts that remitted \$1,000 or more in sales and use tax will be switched to a monthly filing frequency.

2.9 Estimated Sales Tax



The graphic features the Florida Department of Revenue logo at the top left. Below it, the title "Estimated Sales Tax" is centered. A list of three bullet points is on the left, and a woman in a dark shirt and grey pants stands on the right, gesturing towards the text. The background is a collage of US dollar bills. At the bottom left, there is a teal button labeled "Tutorial".

Florida
DEPARTMENT OF REVENUE

Estimated Sales Tax

- ✓ Paid \$200,000 or more during prior state fiscal year (excluding local option surtax and transient rental taxes)
- ✓ Obligated to pay estimated sales tax the following calendar year
- ✓ Payments to begin with December return due January 1 of the next calendar year

Tutorial

Script:

Another implication of making more taxable sales is the possibility of having to make estimated tax payments.

Business owners who paid sales and use tax of \$200,000 or more, excluding local option surtax and transient rental taxes, from July 1 through June 30 of the prior state fiscal year must make estimated sales tax payments during the next calendar year.

For a more detailed explanation of estimated sales tax, visit the Department's tutorial on How to Calculate and Pay Estimated Sales and Use Tax by clicking on the "Tutorial" button.

2.10 Scenario #1



Scenario #1

Mike owns a restaurant and just opened another location in a neighboring county. Everything is going well until Mike sees that he has a bill from the Department of Revenue for his new location. It says he owes sales tax because he underpaid.

Mike goes to an accountant to see what he may have done wrong. It turns out that the county where his new location is has a different surtax rate from the county where his original restaurant is located. He was paying the same rate for both locations. This is how he ended up underpaying, and now he owes the Department money.

Script:

Let's look at Mike's situation.

Mike owns a restaurant and just opened another location in a neighboring county. Everything is going well until Mike sees that he has a bill from the Department of Revenue for his new location. It says he owes sales tax because he underpaid.

Mike goes to an accountant to see what he may have done wrong. It turns out that the county where his new location is has a different surtax rate from the county where his original restaurant is located. He was paying the same rate for both locations. This is how he ended up underpaying, and now he owes the Department money.

2.11 Knowledge Check #2

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Knowledge Check #2

Select all of the following that could result from your business making more taxable sales.

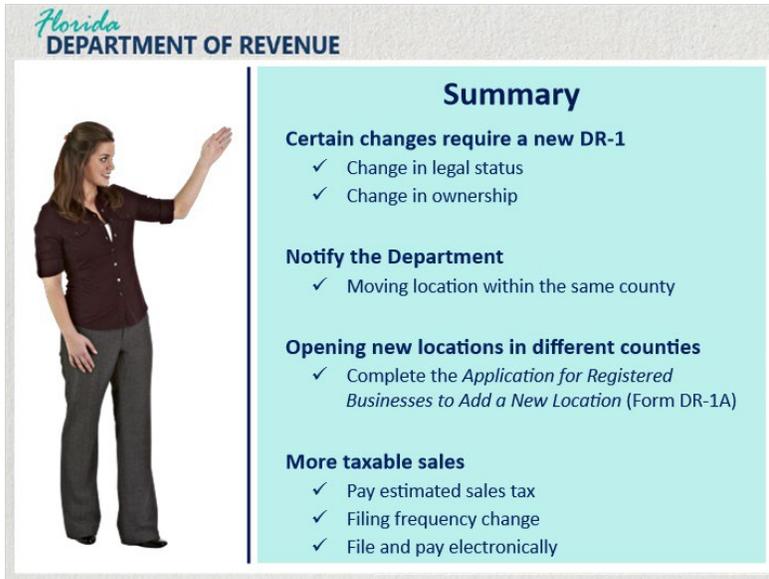
- You could be required to file and pay sales and use tax electronically.
- Your sales and use tax rate could increase.
- You could have to pay estimated sales tax.
- Your filing frequency could be changed from quarterly to monthly.



Correct	Choice
X	You could be required to file and pay sales and use tax electronically.
	Your sales and use tax rate could increase.
X	You could have to pay estimated sales tax.
X	Your filing frequency could be changed from quarterly to monthly.

3. Conclusion

3.1 Summary



Script:

[Meredith]: This is a lot of information. Let me do a recap to make sure I've got it.

Go for it, Meredith.

[Meredith]: First, we talked about how changes to the business such as a change in legal status or change in ownership require you to complete a new DR-1. Other changes like moving your location within the same county simply require you to notify the Department online or by mail.

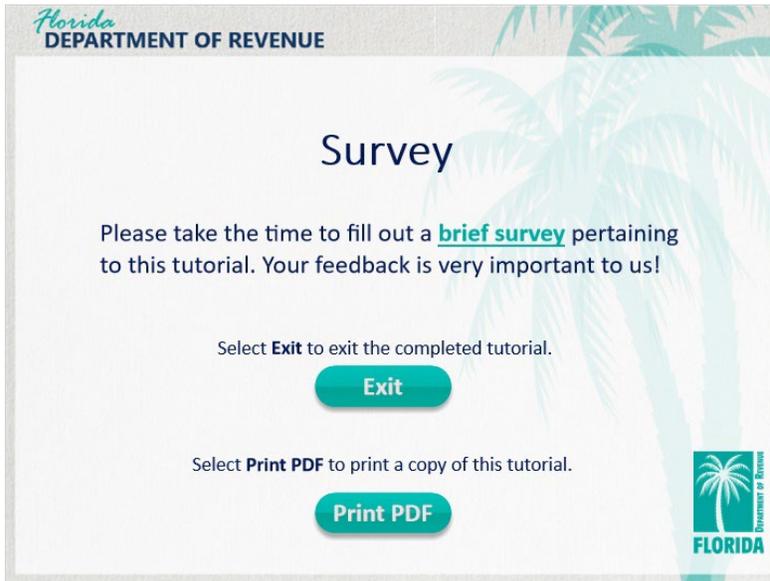
If you are opening new locations in other counties, you are required to complete the Application for Registered Businesses to Add a New Location (Form DR-1A).

If you are opening multiple locations in other counties, you have the option of obtaining a consolidated filing number for filing your returns.

We also discussed how making more taxable sales and collecting more tax may have implications for filing and paying returns.

If taxable sales increase, you may have to start paying estimated sales tax. You may also have to file and remit tax more frequently. You will also be required to file and pay electronically if tax paid for the prior state fiscal year exceeds \$5,000.

3.2 Survey



Script:

This concludes *An Overview of Sales and Use Tax for Business Owners: Changes in the Business*. For more information, check out the resources available within this tutorial by clicking on the Resources tab in the upper-right corner of your screen.

In addition, there are several helpful guides and tutorials available on a variety of tax-related topics on the Department's website at floridarevenue.com.

Please take the time to fill out a brief survey pertaining to this tutorial. Your feedback is very important to us.

To exit this tutorial click on the Exit button.

To print a copy of this tutorial, select the Print PDF button.
Thank you.